

The
Credit World

JULY, 1953



*It's San Francisco
In 1954*

SAN FRANCISCO's Chinatown is exotic and glamorous both by day and by night. Delegation to the 1954 Conference will find the center of it only one block from the headquarters at the Fairmont Hotel.

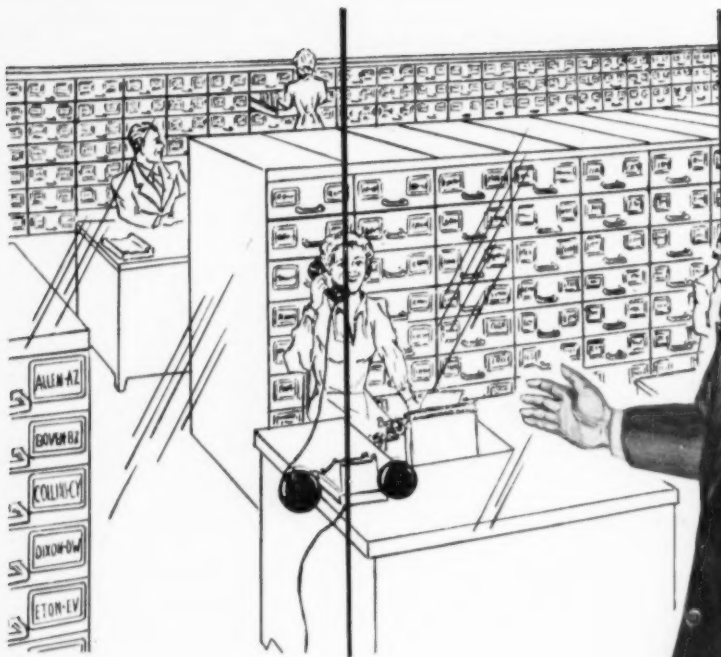
←

THE BRIDGE from Oakland to Treasure Island and across the mouth of the Bay to San Francisco is the only western gateway into the city. All delegates will leave either across the bridge by bus or car, or board it on the ferryboats.

→



Only Publication Serving the Entire Field of Retail Credit



This Is Your Credit Bureau

These files contain the names of your friends and ours, customers who pay promptly and customers who are careless about their obligations.

Don't take chances when all this valuable information is yours for just the effort of a phone call. Call your local ACBoFA affiliated credit bureau and ask for a Factbilt report.

Reports anywhere through affiliated members of

ASSOCIATED CREDIT BUREAUS OF AMERICA INC.

7000 Chippewa Street

St. Louis 19, Missouri

The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

EDITOR L. S. Crowder

ASSOCIATE EDITOR Arthur H. Hert

Editorial and Executive Offices . . . 375 Jackson Ave., St. Louis 5, Mo.
Advertising Representative: Ralph Duysters, 141 East 44th St., New York, N. Y.
Washington Counsel, John F. Clagett, 1424 K St., N. W., Washington 5, D. C.

Volume 41

July, 1953

Number 10

In This Issue

Five Feature Articles

	PAGE
You Can't Be a Boss	2
Revolution in the Field of Credit	6
The Role of Consumer Credit in Economic Change	8
Nashville's "Good Credit Week"	10
A Salute to the Maritimes	24

John C. Faris

Fred S. Krieger

P. H. Mohrman

Joe T. Howell

Carl B. Flemington

Four Other Highlights

New Orleans Conference Notes	12
1953 Annual Reports	14
Credit Flashes	20
1953 Membership Awards	25

Seven Departments

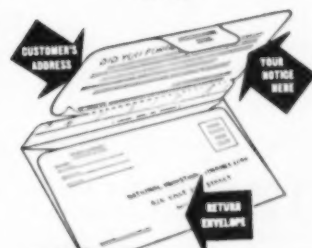
Credit Department Letters	18
Top Management Says	22
Granting Credit in Canada	24
For the Smaller Businessman	26
Local Association Activities	28
Items of Interest From the Nation's Capital	30
Editorial Comment by L. S. Crowder	32

CIRCULATION OF THIS ISSUE 35,000

Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879. Published Monthly. Subscription \$3.00 a year, to members of the National Retail Credit Association only. Articles published in The Credit World reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are hereby granted, provided usual credit is given. Please advise us immediately of any change in your address to avoid interruption in receiving The Credit World.

Printed in U.S.A., by the Bethany Press.

Cut Collection Costs with



Triple-Duty

LOW COST NOTICES all-in-one-piece!

MAKES COLLECTIONS EASIER, FASTER . . . SAVES 50¢ ON EVERY DOLLAR!

TRIPLE-DUTY combines outgoing envelope, notice form and return envelope in one piece. Costs less to handle, brings in delinquent payments faster. Can be used in series of first, second and third notices. But first notices in TRIPLE-DUTY form do the bulk of your collection job. Make it easy for customers to remit payments promptly, resulting in improved collection efficiency. Only 2¢ postage, mailed anywhere in the U. S.

Your mail gets first-class attention from customers, but you pay only third-class rates when you use TRIPLE-DUTY. Send in the attached coupon for your complimentary samples and price list. See for yourself what TRIPLE-DUTY can do for you! Clip the coupon and mail it today.

HODES-DANIEL COMPANY, Inc.
(Originators and sole mfrs. of Triple-Duty Envelopes) 352 Fourth Avenue, New York 10, N. Y.

Hodes-Daniel Co., Inc.
352 4th Ave., New York 10, N. Y.
Gentlemen: Please send us samples and prices of TRIPLE-DUTY Collection Notices.

NAME _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

TYPE OF BUSINESS _____

CW _____

You Can't Be a Boss

John C. Faris

Manager, Customer Business Department
Union Electric Company of Missouri
St. Louis, Missouri



(An Address Given at the Annual Conference of the N.R.C.A., New Orleans, La., June 25, 1953)

IT WAS MONDAY noon in a busy downtown store and the "boss" of the service department was waiting by the time clock.

"You're fifteen minutes late from lunch!" he roared at a returning employee.

The employee shrank with embarrassment. Then a hot resentment crept into his face. He straightened his shoulders and glared at the boss.

"What's it to you?" he snapped.

The boss's mouth dropped open at such impudence. A second later he clamped it shut, withered the employee with a vindictive glance and stomped off to the department head's office.

"It's a plain case of insubordination! We ought to suspend the guy for a week to teach him a lesson!" he concluded loudly, after unburdening himself to the department head.

Meanwhile, the employee was trying to bring his own churning emotions under control so he could be civil with his customers that afternoon. What a mess! And it all took place in less than ten seconds.

That incident actually happened. I will come back to it later; but for the moment it illustrates that "You can't be a boss!" Anyone who expects to get results through others must be a *leader*!

Let us first take a look at the objective of good leadership. The most concise definition that I have seen, and one that everybody can understand, is: "To produce a greater quantity of quality products in less time by making the best use of the manpower, materials and machines available."

This objective is important to every businessman. It is the goal of everyone who directs the work of other people, from the president of a company down to the first-line foreman or supervisor. It applies to professional men, even in the case of a dentist with only a technical assistant, or a receptionist. It applies to every credit office and its personnel. The same principle of good leadership is not only effective in business but crops up in all phases of our social life whether it be a bridge club or a church group, a lodge, or a bowling league. *Someone* is always looked to for leadership. Remember the old saying, "When two people start working together on a job, before the end of the day one of them will be telling the other what to do!" It may not always be true, but the chances are quite good that one individual will be leading the other.

Many incidents similar to the one I have cited are occurring in our employer-employee relationships every day. Compounded many times, their cumulative effect may result in open labor strife in some of our organizations. In others, the continuing impact of "bossism" upon

the workers inevitably will affect either the quality or the quantity of the work or the product. In either case, the results are detrimental to both the employer and the employee, as well as to the investors in the business. Any of us might be startled if we only knew how many such human conflicts are happening around us every day.

Nobody questions the worth of what it costs to train men and women to use the tools of their trade. Professional people spend years in college and postgraduate work before becoming qualified as practicing lawyers, doctors, dentists, engineers or accountants. Most stenographers have taken outside courses in addition to those given in high school, in order to become proficient. Nearly all the larger corporations, and many of the smaller ones, have specialized training courses for various types of personnel in order to develop and improve their working skills.

But where too many executives have fallen flat on their faces is failing to *learn* themselves and to *teach* their supervisory personnel the fundamentals of getting along with their fellow workers. Times have changed! The man or woman who is responsible for getting high quality production from a group of workers today cannot be a boss. *He must be a leader.*

Please do not expect me to set myself up as an expert in these matters. Many of you, no doubt, have read more books and articles on foremanship and supervision than I have ever seen. Most of what I know about the subject has been gained the hard way from 30 years of my own experience in the business world. Either by being pushed around or mistreated by someone with superior authority, and resolving not to treat anyone else the same way; or by making bitter mistakes of my own which later backfired and, I hope, taught me a lesson. The old cliché that "The best school is the school of experience" may be all right. The only trouble is that the diploma of the school of experience is a tombstone. We just do not live long enough! Nobody knows all the answers to this or any other problem; but we can look at the fundamentals of what makes human beings "tick," and see if there are some easier and more thoughtful solutions.

What Does the Worker Want?

Let us first examine the question: "What does the worker want?" All of the ramifications of what any individual worker or group of workers really want, or think they want, may be boiled down and summarized for the purpose of this discussion into three elements: (1) Money, (2) Security, and (3) Job Satisfaction. Let me briefly elaborate on each of these three points.

Most people, I believe, work because they have to, not because they want to. Very few human beings on the face of this earth devote their lives to a "labor of love,"

and this even extends to some phases of the ministry and philanthropic organizations. It certainly does not apply to the great mass of gainfully employed workers whom we are discussing here today, nor to their foremen, their department heads, nor even the vice presidents, presidents or board chairmen. It would be a rare person indeed who, if told that his salary would cease on Friday, would report for work Monday morning, whether an office boy or the executive vice president.

Is this selfishness? Of course not. It is perfectly natural. It is a part of the American way of life to want more than we already have. The desire for a better life is what has made America great; and since money is our medium of exchange, we all want more money so we can buy all of the necessities and more of the luxuries of life for ourselves and our families. Money itself is not evil. The Bible says that "the love of money is the root of all evil." Dress up the motive in whatever sort of altruistic terms, the financial reward for expended effort is perhaps the greatest motivation of our workers.

There are many varied lists of motives by labor relations experts who place money two or three steps down the ladder among the factors in "what workers want." I do not agree. It is my own personal observation that *money ranks first!*

On the other hand, "money isn't everything." Haven't you heard a person say, "I wouldn't work for that guy for a million bucks!" That is not literally true, of course. What that person means is that he could not stand to work for some particular "boss." The job might be well paid, it might be permanent in character, the working conditions might be excellent, but no reasonable financial reward would compensate for having to put up with the personal characteristics of an office Scrooge!

Granted that such unusual circumstances are exceptions, it still seems to me that, by and large, money is the most important consideration to the average worker, because of the things that money will buy.

The second element, *security*, stems from one of the basic human emotions, fear. We are always afraid of the unknown. New babies have an inborn fear of falling. Throughout our lives, most of us have fear piled upon fear, until many of us become confused in our thinking to the point where progress in life is impeded. The antidote to fear is security. Man is an animal, and has a will to live; that instinct urges him to make his job provide the greatest amount of security.

Mass Defense Against Bossism

In the old days a foreman could say, "I don't like that guy. If he spits on the floor just one more time, I'm gonna fire him!" The chances are that such a "boss," probably looking for an opportunity, would sooner or later fire the worker. You just do not do that any more! And those concerns that are still operating without organized labor, if they pursue such "bossism" practices, are sure to have a union one of these days. The labor union, under such conditions, takes the position of mass defense against *unfair bossism*. Can you blame the worker? I don't.

A "boss" can make a man or woman feel insecure about his job from the very first ten minutes. Some people just like to "throw their weight around"! How can you ex-

pect to get good work from that kind of treatment? We must realize that fear is a basic human emotion, and nobody can ever profit by capitalizing on that knowledge.

Emphasis upon security is evident in all the newspapers and trade magazines today. Throughout the country, we find labor contracts including greater and greater pension benefits and other welfare plans. The 1950 revision of the Social Security Law by Congress provides greater benefits, and benefits to a greater number of people than ever before, at the ultimate cost of many billions of dollars. It will be revised again. The emphasis is on security, for such laws just do not get passed unless a majority of the people are in favor of them.

Then we come to the third element, *job satisfaction*. What most of us fail to appreciate is that every human being has a certain amount of dignity, and he bitterly resents being "overridden" or "talked down to." This characteristic applies all the way down to the bottom of the social scale. Even a "bum" bitterly resents being called a bum!

Improving the Worker's Job Satisfaction

When we speak of job satisfaction, we are concerned in what the worker thinks about his job and his employer; and it should be obvious to anyone that a happy or contented worker will do a better job. Let us break it down into five important approaches as to what we can do to improve the worker's job satisfaction. Let me emphasize, these five points are not what the worker feels, but what *we can do to improve his feelings*.

1. **TREAT YOUR PEOPLE AS INDIVIDUALS.** This should begin when we first hire a new employee. Try to fit the man or woman into the job for which he or she seems best suited. Even if we do not go to the extent of using a comprehensive aptitude test we should try to find out, by talking to the new employee, what he or she would like to do best. A girl who would make an ideal receptionist might make a very poor bookkeeper. On the other hand, a man might excel in statistics but could not sell bottle warmers in a nursery.

On the new employee's first day at work, introduce him around the office, the plant, or the storeroom. Show him where his work place is; where he can hang his hat and coat; where he can wash his hands; and where to get a hot pork sandwich for 30 cents. Explain the rules and regulations of the company. Introduce him to fellow employees. Try to make him feel at home. Can you remember the first day you worked on a new job?

When an employee is promoted to successive jobs, the time will be well spent in letting him know exactly where his work fits into the general picture. Nobody likes to be considered as a cog in a machine. Every person is living the most important life that has ever been lived, his own! He wants to be recognized. Perhaps a single word sums up all of the things I am trying to say on this particular topic: *recognition!*

2. **TELL PEOPLE ABOUT CHANGES, IN ADVANCE.** Most people are inclined to more or less "get into a rut" about their daily work; actually, it is comfortable to be in a rut. At any rate, people will resent anything that happens around the place that changes their daily routine, unless they know in advance what is coming.

If you are going to rearrange the office layout, tell the people involved, and why! If you should install a new filing system, or change a procedure, let them know about it. If you move the whole office to a new location, show the people where their work place will be, and listen to their comments and suggestions. Everybody likes to "get into the act."

3. GIVE CREDIT WHEN IT IS DUE. It is a sad commentary on human nature that too often a supervisor is quick to give an employe a "kick in the teeth," but is reluctant to give him a "pat on the back." Certainly we have to use reprimands for breaches of discipline; of course errors in work performance must be called to the employes' attention. But the value of a properly timed and carefully expressed, "Well done, Joe!" or "That was a swell job, Jane!" cannot be underestimated. I do not mean flattery, or undeserved praise, or favoritism. I mean that if a worker has done an exceptionally good job or has been unusually faithful, tell him so. He will love it! And, furthermore, he will break his neck to do a better job from then on.

4. PAY ATTENTION TO WORKING CONDITIONS. This principle contributing to job satisfaction has been so much discussed in shop and trade magazines and even in the newspapers that it need not be elaborated on here. Fresh air, good lighting, proper working tools, and every other possible help within reason should be planned to make the worker as comfortable as possible in his job. Naturally, it would not be feasible to install air conditioning in the boiler room of a power plant where the temperature may reach 150 degrees. But there are many, many things which can be done which will contribute to the comfort of the employe and, surprising enough, at very little cost. There are times, of course, when you cannot reasonably comply with workers' requests. But if you cannot, never fail to talk to the workers and tell them why.

5. KNOW YOUR EMPLOYEES IN PERSON. The bigger a man's job is, the more important that this be done. There are too many vice presidents who come to their offices in the morning and sit at their desks, go out to lunch and return, and go home from the day without ever leaving that office except possibly to go to the washroom. They vegetate but do not circulate! Anybody who has to see the "boss" has to go into the throne room. He cannot be bothered to go down the line and see the little people at their desks or at their machines. That man is missing something. Sure, he is busy and he does not have time. But the *busiest men* always seem to have the *most time*.

This does not mean that an executive has to gallivant around the building all the time like a rabbit looking for a hollow log. The point is that he should take a few minutes from his office once in awhile, maybe only two or three times a year, to walk through his department or his shop or his storeroom or his store, and see his people at their work. They love it, and furthermore, they will not be scared of him.

There are many other factors which may contribute to job satisfaction. Compared to money and security, job satisfaction is a state of mind we definitely do something about. Think of it in terms of the objective of good leadership which was stated earlier, "To produce a greater quantity of quality products in less time."

There is no general panacea for labor relationships, and any man who sets out to prescribe a fixed set of rules would be considered a fool. Standard rules do not work, because people are different. The workers are different from each other; the supervisors and foremen likewise are different from each other. And the problems are also different.

There is one general set of rules on "How to Handle a Problem," however, which are among the best. They were drawn up by a team of experts with many years of experience in labor relations in some of the largest corporations in the country. This set of rules may be familiar to many of you, because they were used by the War Manpower Commission during World War II, as a part of the program entitled "Training Within Industry." They were spelled out by Walter Dietz, of the Western Electric Company, when he was one of the team which drew up the War Manpower Commission's program. They are brief, easy to remember, and valuable to use. They apply to all sorts of labor problems, but most particularly to grievances. Here they are, almost verbatim.

First, **GET THE FACTS.** Review the record in each individual case. Find out what rules and plant customs apply. Talk with all of the individuals concerned. Get the opinions and feelings of those who know something about the case. Be sure you have the whole story.

Second, **WEIGH AND DECIDE.** Fit the facts together. Consider their bearing on each other. Check practices and policies. What possible action can be taken? Consider the effect of whatever action may be taken on the individual, on the work group, and on production. Do not jump at conclusions!

Third, **TAKE ACTION.** Are you going to handle this yourself? Do you need help in handling? Should you refer this to your supervisor or someone else? Be careful of the timing of any action taken. Do not pass the buck!

Fourth, **CHECK RESULTS.** How soon will you follow up the action taken? How often should you check to see what happens? Watch for changes in output, in employe attitudes, and relationships. Did your action help production?

Where Are the Facts?

Now, let us go back to "the hellish scene" of our initial example where, you will recall, the boss jumped down the employe's throat because he returned late from lunch. What were the facts?

The job of that particular group of employes was that of waiting on the public. The greatest number of people usually came in during the middle of the day, when help was short because the employes themselves had to take time out for their own lunch hours. Customer traffic was usually heaviest on Mondays, the day the incident occurred. The supervisor was well known for his ability to get along with other people but, being conscientious about the customers, it was obvious that he flew off the handle at the employe without thinking what the results might be.

On the other hand, the man who was late returning from lunch had rarely, if ever, committed such an offense previously. Also, he was one of the best service men in

the department. Furthermore, he had a good reason for being late, having been commissioned by his fellow employees to buy a wedding present for one of their group who was getting married the next day. There we have the facts underlying the incident where the boss said, "Where the heck have you been?" and the man answered, "What's it to you?" Both were extremely upset.

After determining the facts in the case, the department head realized he had a serious problem. For one thing, the employee deserved some sort of reprimand for reporting late and not advising his immediate supervisor, but not to the extent of a layoff without pay. On the other hand, a certain amount of face-saving was necessary for the floor supervisor but, much more important, he had to be educated that in this case he should have acted as a leader and not as a "boss." What to do? After weighing these considerations carefully, the department head decided to let both the supervisor and the employee "cool off." That afternoon he did nothing, except to suggest to the supervisor that he go back to his office and "think it over."

The next morning he reviewed the facts with the supervisor. By that time the man realized he had been too hasty. By that time, also, the employee regretted flying off the handle himself, and talking back to the "boss" like he did. Late that afternoon, at the suggestion of the department head, the floor supervisor went to the man and frankly apologized for flying off the handle; and then asked the man if he realized how serious it was to prolong his lunch hour when he was so badly needed on the job. The man immediately said that he was sorry that he had spoken in haste because he himself had been worried at being late. As a matter of fact, he had gulped his lunch to return on time, but still had not made it. The interview ended with the mutual friendship and respect between these two men restored.

This formula will not always work, but it is certainly worth trying. It is such situations as these which occur every day in many business concerns which are not rectified, but instead are allowed to simmer, to boil, and to fester. In most cases, it is worth while to at least try the solution. What can we lose?

In conclusion, what can we do to change our "bosses" into leaders? Unfortunately, many of our present-day foremen and supervisors came up the hard way and are exponents of the old school of bossism. They have always cracked the whip and they still want to crack the whip. But they cannot do it and get production. People will work for leaders but they resent bosses. So what to do?

Supervisor Can Improve Himself

THE INDIVIDUAL SUPERVISOR, from the president of a company to the foreman of a three-man crew, can improve himself by study and self-analysis. That takes real effort, because self-analysis is one of the hardest tasks to which any human being can assign himself. But it can be done!

There are several texts which lend themselves very readily to these individual approaches, among them the Human Relations Reading Kit of the American Management Association.

For larger organizations, one of the best techniques which has been devised during recent years is the use of "Supervisory Group Conferences." By this method, groups of about 15 supervisors are gathered together

WRITE FOR LOW-COST TEST-PLAN	
26th	success-year with Hecht's; Foley's; Jordan Marsh; May Co.; and other top stores, large and small.
For ace Akron store, our unique mds.-fashion approach opened	
11,000 NEW ACTIVE ACCTS.	
for 50¢ each	
3000	New Accts. opened for Goerke's, N. J. bought during the first year alone \$301,000
WE REVIVE 50% + 70% INACTIVES	
3725	(50%) Inactives in famed Texas store bought within six months, at 1/2 cost \$241,000
Yes! Compare with any other way!	
LESTER brozman COMPANY	
160 FIFTH AVENUE, N. Y. C. 10	

periodically to discuss personnel and labor problems. Each such conference is led by a trained and skillful chairman, who does not contribute his own opinions to the conclusions of the group. He tactfully draws the conferees out, and gets them to speak freely. These men are often surprised to find that problems which have seemed very difficult among their own particular workers, have been solved quite simply by another foreman in another department. The fact that these men are pulled off the job long enough to sit down together in a series of two-hour conferences impresses upon them that their top management is concerned about the effectiveness of their leadership. Time does not permit an explanation of this technique in detail, but I assure you that it is practical, and is being used today by many progressive business concerns.

Finally, for the good of our companies and for our own peace of mind, pick *new supervisors* carefully! Too many people in responsible positions got there simply because they had been on the job longer than anybody else. Or maybe they married into their jobs, or polished the apple brighter than anybody else. Are these qualifications for getting results through the efforts of others? If we cannot rectify the mistakes of others, let us at least be more selective in choosing those to whom we can delegate authority. This is a responsibility which our management has every right to expect us to assume and to carry out.

The most successful businessmen of today have already learned the fundamental principles of leadership, and practice them constantly. A few years ago, *FORTUNE* Magazine interviewed the top executives, either the president or the chairman of the board, of about 50 of the largest organizations in the country. A question was asked along these lines: "What attributes would you want most in a man whom you might choose to be your successor?" While technical knowledge of the job, ability to make decisions, organizational power, and various other characteristics were rather commonly listed by all, the one thing that ranked highest throughout the list was the *ability to deal with people*. To be successful in our great American system of free enterprise you must be a leader! *You can't be a "boss"!* ★★★

Revolution in the Field of Credit

FRED S. KRIEGER, *Manager, Credit Bureau of Milwaukee, Milwaukee, Wisconsin*

ALL ABOUT US is evidence of change. In a generation just passed tremendous changes in our way of life have come to pass. The expanded use of electrical energy has brought about revolution in the home. It has emancipated the housekeeper from kitchen and housework drudgery and it has brought happiness, education and enlightenment through radio and television.

The past generation has changed the auto from a rich man's luxury to the poor man's necessity. Even many unfortunates on public relief are permitted to retain their autos so that it may be more convenient for them to seek employment if they have a desire to do so. There has been a revolution in our way of life.

Change has also been at work in the field of credit. We are in a revolution. Once there was the accepted concept that only those counted as people of means were entitled to the credit privilege. It was unthinkable to consider extending needed credit to the honest of meager circumstances.

Time changed that too so that the honest, with a record of stable and gainful employment, though lacking in worldly wealth, can acquire those things in life that make for better living and greater enjoyment. Time also proved that inherently most people are honest and will pay their just obligations if able to do so.

In the early days of consumer credit it was the accepted practice that all channels of credit investigation had to be pursued so that the facts of life could be ascertained. To open an account correctly, a complete application was considered paramount. Detailed information about the customer's past and present activities was a must. Credit management required that the Credit Bureau establish a customer's identity, history, character and resources, in addition to supplying trade and public record information. No one can quarrel with the conviction that the more information developed about a customer the less likely that customer will turn out to be a credit liability. We all agree that the principle of complete information is sound and reduces credit losses. However, because of this principle, Credit Bureaus are being short-circuited by a certain segment of retailing. I have been told some mail order concerns, requiring a comprehensive credit application from the customer, have found that because of the inherent honesty of the customer the need for verification of the information contained in the application is not always a necessity. Years of experience have proved that some companies can well afford to take the risks of loss since a comprehensive application saves the cost of credit investigation. They also enjoy a generous profit on service and carrying charges that offsets credit losses.

While cost is a factor in the elimination of Bureau service, the major reason, I believe, for eliminating Bureau service is quicker customer service. In the opinion of some retailers the advantages of prompt customer service far outweigh the disadvantages of credit losses.

Some department stores in our area are lax on mail orders. Merchandise up to a certain limit is shipped on credit without benefit of a credit report. Reports are

then ordered after shipment. This practice results in some fraud and poor credit, but management feels that this is plus business and the losses resulting not excessive.

There are two things that influence the use of Bureau service: cost and speed. Instalment merchants, as a group, assume greater risks because of the advantages of conditional sales contracts and chattel mortgages, high service and carrying charges and insurance features.

There are two major factors that guide instalment merchants in the extension of credit: (1) the applicant's job, and (2) negative data. If the customer is without a steady job he is undesirable; if he is past due with his accounts with other instalment merchants, a skip, or has suffered repossessions, he is a questionable risk.

But few instalment merchants are concerned about open account obligations, home status, moral hazard, etc. Because of the leverage of repossession and the absence of knowledge of inability to meet current monthly instalments on other time accounts, such merchants do not feel the hazard too great. Because instalment merchants feel no need for antecedent or background data, many clamor for the so-called instalment file which is not a new service.

The success of Bureaus operating such a file exclusively is well known. Most Bureau Managers in larger cities have been at some time or other pressured by the instalment segment of their membership for a file of this character. Now the cost of maintaining both conventional and instalment files in the same Bureau represents additional operational expense which may or may not be justified.

Changes in the Field of Credit

Yet revolution in the field of credit may force this change. We as Bureau Managers may find ourselves offering this service whether we like it or not. Everywhere we hear about high Credit Bureau service costs. Our subscribers pay the bills for Bureau service. Few today are in the mood to recommend and approve increased service charges at this time, particularly when net earnings of some of our members' businesses are down. Yet, on the other hand, they are unwilling to accept lesser service for the price they pay for respective services. Expensive personnel and higher operating costs have put the bite on Credit Bureaus. If higher charges for services are unobtainable, how then can Bureaus free themselves from the strait jacket of higher costs? What is our course of action? We must constantly take inventory of our operations. Are we doing unnecessary things? Are certain operations cumbersome and costly? Can we modify certain procedures? Can we further streamline our operations without impairing our service or the quality thereof? Have we utilized to the maximum labor-saving devices?

It is my honest belief that many Bureaus, including the Milwaukee Bureau, can eliminate many needless operations and still perform a satisfactory service. I have found certain subscribers prefer faster service to a service of quality and completeness, if quality and completeness mean a slowing up of service. To justify their view

they point to their extremely low credit losses which prove that only a negligible percentage of their accounts turn out to be bad debts. Some Bureaus have been over-conscientious in their desire to give a thorough protective service that ensures against excessive credit losses. Volume offsets bad debt losses.

An analysis of our operations shows that the Credit Bureau of Milwaukee is needlessly performing an unnecessary operation. For about a year we observed, in the case of better stores where applications are complete, that a verification of the given employer and the customer's specific job was substantiated in 99.44 per cent of the cases. Now what does this mean? First, verification has meant delay; second, verification has represented unnecessary work for the employer; third, it has needlessly added to the cost of Bureau operation; and fourth, it has proved that nearly 100 per cent of the employees are inherently honest and tell the truth about their employment when applying for credit. Why, then, verify employment unless the customer's credit history has been unsatisfactory?

Yet where there is long history of prompt payment, selling a subscriber on the principle that verification of employment is unnecessary is not an easy proposition. Change is not easily accepted. Credit executives for over a quarter of a century have been bombarded with the propaganda that you cannot profitably open an account unless you have verified in advance the applicant's employment, his position and his salary.

All of us know that this is a period of high-level employment where everyone who is employable can find gainful work if he chooses to work. Because of this I feel that the elimination of employment verification on inquiries from better stores can be safely done and without risk of high credit loss where there has been a satisfactory past history. On the other hand, I would be the first to advocate employment verification on any decline in the job market. This is simply good logic and common sense.

Now there is revolution in the conception of a modern Credit Bureau. For more than a quarter of a century Credit Bureaus have been agencies for the collection and dissemination of credit data. It was unthinkable for a Credit Bureau to pass credit judgment on a subscriber's customer. Bureaus supplied information without recommendation. It was up to the credit manager to make up his mind if the customer was entitled to credit and how much. The time is not far off when Credit Bureaus will be credit managers.

Analyzing Applications by the Bureau

Over ten years ago John Althaus, Secretary-Treasurer, The Credit Bureau, Washington, D. C., Bureau, started a revolution. He had the temerity to suggest to leading department stores that all this writing of complete reports on customers who had a history of prompt pay was a waste of time. He proposed the revolutionary proposition that department stores that took complete applications forward them to the Bureau for processing. The Bureau would place competent help on the job of analyzing these applications. If the past credit performance of the customer was satisfactory, and if he had a record of steady employment, with a stable income, the Bureau would undertake to rate the customer.

With some feeling of apprehension one or more stores were willing to act as guinea pigs on this noble experiment. Mr. Althaus had a large rubber stamp made with the designation "XX." This stamp appearing on the returned credit application told the credit manager that in the best judgment of the Credit Bureau analyzer, the customer was good for \$100.00 on open account. Should the Bureau not be in a position to pass judgment the application was processed in the customary way. The "XX" method was successful. This procedure has been accepted by a number of Washington stores and continues with complete satisfaction.

In the summer of 1952, I offered a similar service to our three major department stores. One credit manager was willing to gamble. The results have been completely satisfactory. We process about 50 per cent of this store's applications on the same basis as the Washington Bureau except that we use our name instead of "XX." The other day I asked this credit manager if he wanted to go back to conventional Bureau service. His answer was to carry on. In response to our question, "How about losses?" he said, "I am certain those applications processed by the Bureau will show up more favorably than those processed by the store." Now if you are not offering this service I suggest you give it thorough consideration. It means a reduction in labor and costs to any Bureau and certainly speeds up service to the subscriber. Of course, the Bureau accepts no responsibility should the account go sour.

Now comes the biggest phase of the revolution. Banks are entering the field of open-account financing. This is the newest phase in the revolution. The prospect of a high return, coupled with an ample supply of cheap money, has stimulated banks to enter this little-explored field. Then, too, they are receiving a big "push" from office equipment dealers who see handsome profits in the sale of up-to-the-minute office equipment.

Some Bureau Managers have viewed the entry of banks in this field as a threat to Credit Bureaus. Others feel that it is just another temporary source of irritation which will correct itself. Certainly Credit Bureaus will enjoy good business at the outset until such time as banks have developed small credit bureaus of their own. Then the need for Bureau service will decrease since banks may then draw upon their own experience for passing credit. Banks admit they are "babes" in the woods in this endeavor. However, they feel that finance is their business and merchandising is the retailer's business. It is on this premise that they are pushing this program. They concede there are many problems in financing open accounts that are not found in financing instalment paper. The smart banks are employing personnel with retail experience to guide them in setting up, selling and administering the system. Those banks who adopt this plan now are entering at a time of high-level employment, high collection percentages and high personal income and resources. Will a less favorable climate prove to be a disadvantage to lending institutions? Only time will tell.

My advice to Bureau Managers is to get close to banks who plan to finance charge accounts. It is better to be on the "inside" than on the "outside." We are in a credit revolution. If we are alert and willing to change and change when we have to, then and only then can we be certain of our future. ***

The Role of Consumer Credit In Economic Change

P. C. Mohrman

Financial Analyst, Woodhaven, New York

THE AMERICAN economic system has been highly successful in developing the means of production. We can produce enough for a limited war, for aid to other countries, and, at the same time, to increase our domestic consumption and build up our production facilities. But we still lack stability! When we enthusiastically climb to new heights we are accompanied by the arch deceiver called inflation; and when we reach a higher level we do not stay on a high plateau, but descend the other side into recession or depression.

Why do we lack stability? Why has progress been intermittent, instead of steady? I do not pretend to know all the answers, but I am going to call your attention to some built-in destabilizers, and point out why consumer credit is one of these.

Fractional Reserve Banking System

One of the most important destabilizers is the fractional reserve banking system which supplies most of our money. The fractional reserve banking system issues money to finance expansion, and then pulls back money when conditions become less favorable. This perverse behavior of the system is rationalized by saying it expands the supply of money when business needs more money, and reduces the supply when the need no longer exists. Unfortunately, if we are to maintain a higher level of employment and income, we cannot reduce the supply of money, the blood stream of economic activity. And if we are to control inflation, that great, insidious tax collector, we must stop feeding inflation with new money.

Investment in additional facilities for the production and distribution of goods and services, and investment in larger inventories of goods, creates employment and income. Such income stimulates consumer demand, and an increase in consumer demand creates a need for more production and distribution facilities, and larger inventories. We have an interrelation where consumption grows on investment and investment on consumption. This relationship is an important cause of the cumulative expansion of economic activity in the upward phase of the business cycle.

But it is not a one-way street. Sooner or later the expansion of facilities and inventories has always caught up with actual and anticipated demand. Investment is then reduced and with it employment and income. The lower income then reduces consumption. In turn, the lower consumption reduces the need for new facilities and makes inventories excessive. The spiral of deflation is upon us.

The expansion of investment is financed in part by an increase in the supply of money through the fractional reserve banking system. Even when the new money is borrowed ostensibly for working capital needs, it often finances permanent investment because the former working capital has been used to expand plant, etc. Bank loans

involve risks to the bank and the borrower; risks that increase when economic activity turns down. This causes banks and borrowers to reduce bank loans and with them the supply of money.

I am not concerned about the quality of consumer credit. Every penny may be collectible without affecting my argument. What I am concerned about is the quantity and particularly the trend of consumer credit. Let us first consider the effect of consumer credit upon an individual consumer.

A consumer is earning \$4,800.00 a year (\$400.00 a month), and in the first year under consideration he disburses his entire income on the purchase of goods and services. The second year he increases his expenditures to \$6,000.00 through the purchase of an automobile on the installment plan, the balance due at the end of the year being \$1,200.00 payable at the rate of \$100.00 a month. This consumer credit enabled him to increase expenditures to 25 per cent above the previous level and 25 per cent above income.

If the consumer is to pay off his debt during the third year, he will have to pay \$100.00 a month on the installment contract leaving only \$300.00 a month to spend for goods and services. The result is a reduction in his annual expenditures from \$6,000.00 in the second year to \$3,600.00 in the third year, a reduction of 40 per cent. Even if the consumer incurs new debt equal to payments on the old debt (\$1,200.00 for the year), his expenditures for goods and services will decline from \$6,000.00 in the second year to \$4,800.00 in the third year.

The above example reflects the effect of consumer credit on only one consumer. His actions may be offset by other consumers reducing their debt as his is increased, and by their incurring debt as his is reduced. It is fluctuations in extension and payment of credit as a whole that affect stability.

Expansion of Consumer Credit

Consumer debt has expanded very rapidly since the end of World War II, when it was at a low level. The spending of more than their income by these consumers has been one of the inflationary factors of the post-war period. An expansion of consumer credit stimulates economic activity in three ways:

1. Employment and income are increased in producing the greater quantities of consumer goods being sold;
2. Employment and income are increased as producers and distributors raise their inventories in proportion to their higher sales;

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

3. Employment and income are further increased by the building of new production and distribution facilities to meet the new demand.

In the examples of the effect of consumer credit on an individual, it was pointed out that after a period of credit expansion even replacement of new debt as fast as the old is paid off will cause a reduction in expenditures for consumption. This is equally true in the aggregate. When, after a period of expansion, outstanding consumer credit is merely maintained at an unchanged level, the stimulation from expansion is lost, and consumption will decline. When outstanding consumer credit declines, the effect on consumption is much greater. A reduction in consumption, in turn, has the following effects on general economic conditions:

1. Employment and income are reduced as production of consumer goods is brought down to the lower level of sales;

2. Employment and income are reduced as producers and distributors curtail their inventories in proportion to the lower sales; and

3. Employment and income are reduced in the capital goods industries because existing facilities are more than enough to meet the lower demand.

Consumer credit follows the trend of general economic conditions except under unusual conditions such as a war. It expands when employment and income are on the up-grade and contracts when employment and income are on the way down. This tendency to intensify the existing trend is unfortunate but understandable. When economic conditions are improving, consumers have a greater willingness to incur debt and greater ability to meet payments. In addition, retailers, banks and finance companies are more willing to extend credit when general economic conditions are favorable. On the other hand, when employment and income are declining, consumers need a larger proportion of their reduced income for necessities and to meet existing debt, and the risks of extending credit appear greater to retailers, banks and finance companies.

When Is Consumer Debt Too High?

When is consumer debt too high? No one can give a categorical answer to this question. Some say it is not yet too high because the ratio of total consumer credit to disposable personal income is lower than at some times in the past. Another says it could safely advance 75 per cent above present levels because it is still not out of line with the present national level of discretionary spending power. They may be right but ratios sometimes deceive. The ratio of brokers' loans to the market value of listed shares was not made in 1929 but in 1926! The volume of brokers' loans were at their peak in 1929, but the ratio of such loans to market value made its peak in 1926. To me, consumer credit involves the spending of future income by those who borrow. Despite the current very high level of disposable personal income, many people are now spending future income on present consumption. In a time of prosperity this is not good.

The May, 1953, monthly review of the Federal Reserve Bank of New York observes: "In the current period, bank credit has been extended in significantly larger amounts than last year to sales finance companies,

to wholesale and retail trade, and to the textile and apparel industries.

"In the case of the loans to the sales finance companies, the funds are employed mainly to finance consumer purchases and dealer floor stocks, and, presumably, a good part of the borrowing by retail merchants has been made necessary by a growing volume of customer receivables. Thus, much of the expansion in the business loan category during the past nine and one-half months has represented, directly and indirectly, consumer credit."

Suppose consumer credit continues its rapid growth under the stimulus of high government spending and expansion of plant and equipment, what then? When a downturn in economic conditions occurs (and it always has), the ratio of consumer credit to personal disposable income will rise because income will be lower. But more important, at such time consumer credit will also decline. Consumption then will be further reduced and this will discourage investment, starting a spiral of deflation. The higher consumer credit is when a downturn begins, the greater will be the potential deflation. But if consumer credit is reduced during the present period of high income, the adverse effects will be lessened. I fear a further expansion of consumer credit at this time will multiply our later problems.

What can you do about it? At this time, increase down payments and shorten the period of payment. This will enable you to provide credit to more customers without increasing the total outstanding credit. It would be still better if, during this period of high prosperity, a contraction of the total credit outstanding could be induced and it would be better for you by reducing credit risks and better for you because the economy as a whole will be strengthened.

When employment and income decline as a result of less investment in new plant and equipment, and because government expenditures are reduced, then do not be like the little monkey image and see no credit, hear no credit and speak no credit. At such time extend credit to those whose credit warrants, thereby not only helping to maintain your own business, but helping to sustain consumption and economic activity as a whole. It will take courage and wisdom, but both of these virtues pay off in the long run. ***

MORE SALES...Through Charge Customers

We Can Get You

25 OR MORE
New Charge
Customers
EVERY DAY!

Write today
for full
details!

A. J. WOOD & COMPANY
1518 Walnut Street, Philadelphia 2, Pa.
MARKET • OPINION • ATTITUDE Research



Nashville's "Good Credit Week"

JOE T. HOWELL, JR., Assistant Vice President, Third National Bank, Nashville, Tennessee
Chairman, Publicity Committee, Nashville Retail Credit Association

A "GOOD CREDIT WEEK" campaign promoted under the sponsorship of the Nashville Retail Credit Association, Nashville, Tennessee, was held during the week of January 11 through 17, 1953. This was the first such promotion undertaken in many years and, on the whole, the campaign was successful. It was conducted in a thoroughgoing fashion employing all available media for effective coverage. The campaign was confined to one week with the exception of billboard advertising which was continued throughout the month of January.

From the standpoint of media and coverage, the campaign was conducted as follows:

Newspapers—On the next page will be found six of the ads which appeared in our morning and evening papers. They were obtained from the National Retail Credit Association. These ads were supplemented by news stories including a proclamation of "Good Credit Week" by the Mayor. A picture of this event is shown in the lower right-hand corner on this page. Mayor Ben West is presenting the proclamation to Robert Huddleston, President, Nashville Retail Credit Association. On the left is Ben Nance, President and General Manager, Retail Credit Bureau of Nashville and on the right is John Bevington, President, Associated Retailers of Nashville. In addition, the identification symbol (the logotype design at the bottom of the ads on the opposite page) was used by the merchants in their own advertising.

Television Advertising—During the week we ran 33 spots featuring the slide illustrated in the upper right-

hand picture on this page. Copy for the slides and spot announcements was prepared by the advertising agency handling the campaign.



Outdoor Advertising—Shown below is an illustration of the 24 sheets displayed on the 12 main arteries into downtown Nashville.

Window Displays—Under a committee of the Credit Women's Breakfast Club of Nashville, the placard shown in the lower left-hand corner of this page was distributed



to 250 merchants in selected shopping centers as well as downtown Nashville. At the same time the stores were encouraged to identify this campaign in their window displays during this particular week. This same com-

**Good credit
commands
confidence!**



★ BUY WISELY!

★ PAY PROMPTLY!



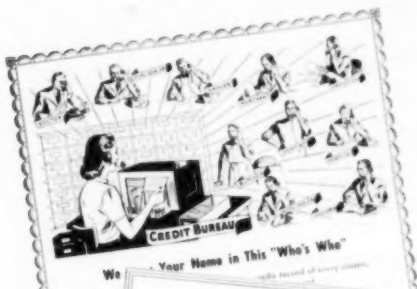
mittee also distributed 10,000 copies of the booklet *The Good Things of Life—On Credit* for subsequent distribution by retailers to their new charge account customers. This booklet was also made available to an organization which greets newcomers to the city. The booklets were secured from the National Retail Credit Association.

Schools—In cooperation with the Credit Education Committee of the Nashville Association, the 17 high schools in metropolitan Nashville were addressed in 15-minute talks by members of the Association on the meaning and importance of paying bills promptly.

The cost of this campaign amounted to \$2,657.61 and was financed by members of the Association contributing thereto on a basis proportionate to their usage of the

Credit Bureau services. While we believe the campaign was successful, in subsequent years retailers can be expected to identify themselves more closely than was done this year. A more elaborate build-up, prior to the campaign date, was needed. This and other lessons we have learned from handling this campaign. Our paid coverage was good and next year we will know how to obtain full support and cooperation from the larger advertisers so that more can be accomplished for the same cost. If such a campaign is repeated in subsequent years, we suggest that it be confined over a period of months instead of one week.

The Publicity Committee of the Association consisted of Joe E. Torrence, James E. O'Steen, Mrs. Mary Lemmer, H. N. O'Callahan, and Robert C. Huddleston.



We Your Name in This "Who's Who"

The files and every We can find your name in pay day. So you can be a

A Shopping Convenience

CREDIT is extended as a shopping convenience. But it is more than a convenience. It is a definite fact.

Guard Your Credit as a Sacred Trust

For more than a quarter-century retailers and professional men of North America have contributed their actual ledger experience—good, bad and indifferent—to form a tremendous catalog of credit information. This information is a basis for the credit record of the consumer.

Payment of regular accounts on receipt of bill and installment accounts on each due date will build and maintain a good credit record.

Good credit commands confidence

★ BUY WISELY!



★ PAY PROMPTLY!

In an Emergency

If, because of illness or some unexpected emergency, you are unable to pay your bills promptly, you are in an emergency.

Worth More Than GOLD

"Credit," said Daniel Webster, "has done a thousand times more to enrich mankind than all the gold in the world."

You If you for prompt gold A com ad



PROMPTNESS

PROMPTNESS in paying your bills is important. Your retail merchants and the professional men deserve their money WHEN THE BILL IS DUE! PAY every bill within ten days after it is received and your installment accounts on the due dates. Build a reputation and a record for promptness.

Good credit commands confidence

★ BUY WISELY!



★ PAY PROMPTLY!

New Orleans Conference Notes

RESOLUTIONS

FOLLOWING are some of the resolutions passed at the 39th Annual International Consumer Credit Conference of the National Retail Credit Association held in New Orleans, Louisiana, June 22-25, 1953. Others will be published in the August issue.

Consumer Credit Controls

WHEREAS, the membership of the National Retail Credit Association is composed of more than 33,000 members engaged in every line of business where consumer credit is granted, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, at present and in the foreseeable future there are and will be no shortages of consumer goods, durable or otherwise; and

WHEREAS, it appears that the present income and other taxes, and the high cost of food and other items of living, have drained away and will continue to drain away any so-called excess purchasing power; and

WHEREAS, expenditures for National Defense have leveled off or decreased, and similar expenditures for military, economic and other aid to our free allies have

somewhat declined because of their improved abilities to help themselves, especially the European community of free peoples; and

WHEREAS, so-called standby or temporary controls over prices, wages and consumer credit, under these conditions are not required in the National interest; and

WHEREAS, in spite of all of these factors and conditions, it has nevertheless been suggested or proposed that the Federal Reserve Act be amended to vest in the Federal Reserve Board certain continuing authority to regulate consumer credit;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association expresses its opposition to the enactment of temporary or other authority over prices or wages, and in particular of regulations or authority over consumer credit; and likewise voices its dissent and opposition to any amendment of the Federal Reserve Act whereby the Federal Reserve Board shall be vested with any authority or power to regulate consumer credit, the amount, terms or other conditions appertaining thereto.

Medical, Dental and Hospital Bills

WHEREAS, the membership of the National Retail Credit Association is composed of more than 33,000 members engaged in every line of business where consumer credit is granted, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, fuel, hardware, lumber and building materials, jewelers, etc.; and

WHEREAS, heretofore there has existed uncertainty as to the manner in which other retail credit granters should regard slow or unpaid medical, dental, and hospital bills; and

WHEREAS, there is increasing disposition on the part of medical, dental, and hospital credit granters to place their credit transactions on a sound basis;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association in Convention assembled, records itself in favor of urging all credit granters to look upon medical, dental, and hospital bills in the same light as they do other accounts provided that there has been a definite understanding with the patient and/or guarantor as to when he is to pay his account and definite terms set.

Postal Money Order Form

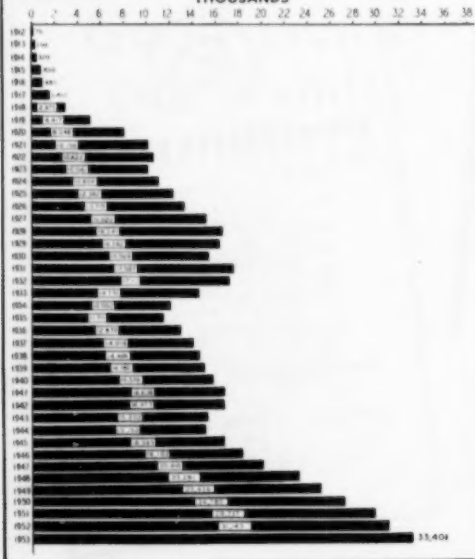
WHEREAS, the membership of the National Retail Credit Association is composed of more than 33,000 members engaged in every line of business where consumer credit is granted, including department and apparel stores, furniture, musical instruments and household appliance stores, banks, loan and finance companies, hospitals, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, the credit departments of the above-mentioned firms and organizations and the collection depart-

Membership Progress 1912-1953

NATIONAL RETAIL CREDIT ASSOCIATION

THOUSANDS



ments of collection bureaus and agencies receive thousands of postal money orders daily, in payment of bills or instalments thereon, many of such money orders being in denominations of from \$1 to \$5; and

WHEREAS, in the past it was the practice of the Post Office Department to show the address in space provided therefor on the money order form, below the name of the remitter:

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association believes it is both practicable and desirable to show the address on the money order form; and in furtherance thereof does hereby request the Postmaster General to instruct all postmasters to show the address of remitters on the line now provided.

Wage-Earner Provisions of the Bankruptcy Act

WHEREAS, the membership of the National Retail Credit Association is composed of more than 33,000 members engaged in every line of business where consumer credit is granted, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, the Wage-Earner provisions of the Bankruptcy Act were amended by the Congress on December 31, 1950, so as to permit wage-earners and salaried employees earning up to \$5,000 to resort to the provisions of Chapter 13 of the Bankruptcy Act; and

WHEREAS, bankruptcy statistics indicate that where referees in bankruptcy have encouraged the use of the Wage-Earner provisions by those eligible, the percentage of accounts paid up has been favorable; and that wage-earners have, as a result of the use of such plans, been allowed a reasonable time for the payment of their debts, usually extending over from one to three years, and have been able to retain unimpaired credit standing; and

WHEREAS, this Association is of the opinion that the decline in the purchasing power of the dollar has been so great that the lifting of the ceiling on the use of Wage-Earner plans from the former limitation of \$3,600 of salaries and wages to \$5,000 does not and cannot accomplish the relief intended;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association records itself in favor of, and recommends to the Congress of the United States, that Chapter 13 of the Bankruptcy Act should be further amended to permit resort to Wage-Earner plans by any person paid by salary or wages up to and including \$7,500.00.

Garnishment of Salaries of Federal Employee Judgment Debtors

WHEREAS, Representative Thomas B. Curtis of Missouri has introduced in the House of Representatives H. R. 3602, being a bill "to provide for the garnishment, execution or trustee process of wages or salaries of civil officers and employees of the United States," and said bill has been referred to the Committee of the Judiciary; and

WHEREAS, this Association is on record as having vigorously supported previous attempts to secure similar

legislation, particularly the bill introduced in the 78th Congress by then Representative Estes Kefauver; and

WHEREAS, this Association is especially well qualified to petition the Congress on this subject; since membership of the National Retail Credit Association is composed of more than 33,000 members engaged in every line of business where consumer credit is granted, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, the Federal employee who is a delinquent debtor often presents a serious problem to his department head or section chief, and causes serious loss of time of such officials in answering inquiries and dunning letters and telephone calls; and such delinquent debtor employee himself is also involved in responses to such inquiries and demands, resulting in loss of time, particularly in answering telephone duns; and

WHEREAS, the members of this Association have brought to the attention of its Executive Officers numerous instances where collection of just debts has been difficult, or impossible, by reason of the fact that the debtor is an employee of a Federal department; and

WHEREAS, garnishment and attachment laws have been almost universally adopted among the various states and territories; and the operation of such laws has relieved state department heads and section chiefs of loss of time in answering inquiries and dunning demands, and has aided members of this Association to collect debts, both before judgment, because of the persuasive power of a fair and just law, as well as after judgment by garnishee process; and the practicability and fairness of such laws have been demonstrated time and time again;

NOW, THEREFORE, BE IT RESOLVED, that this Association recommends and supports the early passage of the aforesaid Curtis bill, H. R. 3602, providing for the garnishment of salaries of judgment debtor Federal employees.

Next Annual Conference

The 40th Annual International Consumer Credit Conference of the National Retail Credit Association, Associated Credit Bureaus of America and the Credit Women's Breakfast Clubs of North America will be held in the city of San Francisco, California, July 19-22, 1954. All reservations for the Mark Hopkins Hotel and the Fairmont Hotel, the Conference Headquarters, should be sent to Frank T. Caldwell, General Manager, Retailers Credit Association of San Francisco, 15 Stockton Street, San Francisco 8, California.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) and District Eleven (Arizona, California, Nevada and Hawaii) will also hold a joint annual meeting in conjunction with the 40th Annual International Consumer Credit Conference of the N.R.C.A., San Francisco, July 19-22, 1954.

Report of the President

O. W. Frieberg

THE FINEST expression of the principle of voluntary association is achieved in the National Retail Credit Association, in its purposes and accomplishments. The idea of voluntary association is an American tradition. The success of any association depends upon the active interest, the zeal, enthusiasm and cooperation of its members. The success of our Association is the direct result of an increasing awareness of its value and the benefits to our members. The combined efforts of our members, officers and directors have produced the results which have been attained.

The success of our Association, too, as in any association, is attributed largely to the effectiveness and efficiency of its organization. To Lindley S. Crowder, our General Manager-Treasurer, our Association is indebted for his untiring efforts and genius for the organization and direction of our activities. Our appreciation, too, is extended to his able assistant Arthur H. Hert and to Leonard Berry, under whose direction our educational program has unlimited possibilities for development. It has been a rich experience to know them personally and work with each of them, and to have had the loyal support from them and members of all committees.

The Membership Committee of the district chairmen has been enthusiastic and diligent, resulting in a total membership of 33,401, within approximately 100 of our goal of 33,500 for the year. The district chairmen are deserving of the gratitude that is due them and to each of them we express our personal appreciation.

The Finance Committee composed of Hugh L. Reagan, Chairman, Dean Ashby and Charles D. Reno, has become an institution which, together with the careful controls maintained by our General Manager, have placed our Association in excellent financial condition. We have \$17,267.65 in cash, \$74,549.70 invested in lot and building and \$48,861.92 in other assets, and no debt. The retirement of the mortgage on our executive offices, 375 Jackson Avenue, St. Louis, within the current year, is an accomplishment of which we can be justly proud. The further expansion of our activities will be possible only with the increased revenue from a further growth in membership.

The Legislative Committee, under Clarence E. Wolfinger, Chairman, and Joseph A. White, Co-chairman, has maintained close contact with legislative matters affecting consumer credit. "Items of Interest from the National Capital" by John F. Clagett, our Washington Counsel, a regular feature of *The CREDIT WORLD*, has been illuminating and presented briefly but comprehensively. Our representation at Washington, D. C., is adding to the National stature of our Association.

The Credit Education Committee under David Blair, Chairman, will present to the conference proposals for formalized educational program, out of which significant possibilities should evolve for further development. Educational programs for our credit employees and the public are one of the primary functions of our Association. Sound credit principles and procedures and professional ethics, the economic validity of consumer credit and the importance of retail credit sales management in mer-

chandising must be more firmly established and contribute immeasurably to the greater recognition of credit sales managers in both professional status and position.

The Retail Credit Management Institute to be held July 20-24, 1953, sponsored by the National Retail Credit Association and the University of Oklahoma, presents an educational opportunity to those seeking professional status in the field of credit management. A comprehensive credit education program will be presented. Its success, we predict, will lead to the establishment of similar facilities in other areas of the country.

The answer to the availability of qualified credit personnel is the encouragement and development of credit courses in colleges and universities and the establishment of credit study groups to supplement training on the job. There is increasing interest in local credit associations and credit bureaus sponsoring educational courses and they are seeking the advice and assistance of our Educational Director, Leonard Berry, in the conduct of credit schools.

Continued progress is being made by *The CREDIT WORLD* in articles of general interest and special features. Our members and subscribers derive direct benefits in valuable information and assistance in credit, collection and from feature articles that are of untold value in direct proportion to regular and careful reading of *The CREDIT WORLD*.

The special features of *The CREDIT WORLD* all deserve recognition. The newer features, "Program Suggestions for Local Associations," and "For the Smaller Businessman," fulfill the need of this information which has been requested. The features are highly constructive and their continuation assures continuing interest and appeal.

The feature "Granting Credit in Canada" has set a high standard of the material presented by the contributors. It merits our attention and interest in the activities and point of view of credit men and women of the neighborly Commonwealth on the North and truly makes *The CREDIT WORLD* international in appeal.

Represented N.R.C.A. at District Conferences

"Credit Department Letters" is interestingly presented and has great practical value. It is necessary to add, too, that "Better Letters Service" by Leonard Berry, so uniquely and constructively presented, is entitled to wider subscription and acceptance by our members.

During the year it was my privilege to represent the National Retail Credit Association at the Conferences of Districts 6, 9, 10 and 11, and to participate in their programs. We have been impressed with the high standard of these conferences. The friendliness of our reception, the hospitality and enthusiasm of each conference sing created a lasting impression. As we create an awareness of the increasing value of district conferences, in consolidated thinking and discussion, we acquire an appreciation of a broadened perspective in the field of consumer credit and a broader conception of credit in merchandising. The National Retail Credit Association is strengthened and benefits from an increased vitality as the coordinating

and directing medium on a National level. The International Consumer Credit Conference extends that perspective.

The report of your president would not be complete without reference to the importance of the cooperation of credit bureaus on the national, district and local level. Local retail credit associations make possible better acquaintance and understanding among credit executives and a closer and more effective cooperation between credit men and the local bureau. Fraternal and educational cooperation for mutual benefit will set the pattern for better bureau operation and service. This cooperation results in a mutual understanding of problems leading to both increased income and information for the bureau and better service to its members. The success of our membership program is dependent on cooperation between the bureaus and state associations in sponsoring local associations. Our congratulations are extended to the new local associations established during the past year.

We are deeply appreciative of the cooperation and support of Francis Auger, President, and Harold A. Wallace, Executive Vice President of the Associated Credit Bureaus of America, other officers, directors and

members of that Association, and to Nelle Stombs, President, Credit Women's Breakfast Clubs of North America, officers, directors and members of that Association. The continuance of that close cooperation assures a participation in our successes and supplements and complements our objectives.

It has been a great honor and a stimulating and rewarding experience to serve as your President, but we are humble in the responsibility that has accompanied that honor. We are deeply conscious of the knowledge that so many opportunities to expand the effective work in fulfilling the objectives of our Association will have to be passed on to our successors. Past Presidents continuing to participate actively in our program by assisting those who are to follow ensure a continuity with new horizons to be explored and developed.

It has been a privilege to serve this fine organization as its President, to contribute in small part to the accomplishment of its purposes and objectives and the creation of lasting friendships. It has not been an effort but rather a pleasure largely because of the assistance and understanding of Lindley S. Crowder, whom we admire and respect.

Report of the General Manager-Treasurer

L. S. Crowder

IT IS WITH pleasure that I submit my nineteenth annual report, covering results for fiscal year ended May 31, 1953. The year has been a successful and active one.

Finances

Finances continued sound. Cash on hand and in banks amounted to \$17,267.65. Included is \$2,734.61 on deposit with the Dominion Bank, Vancouver, B. C. This compared with balance of \$21,794.13 on May 31, 1952. The decrease of \$4,526.48 is the result of an advance to Pension Trust of approximately \$10,000.00, which was approved by the Board of Directors. Annual payment of \$2,500.00 was made to the Pension Trust and provision made for all conference expenses. Total current assets, including inventory of books and supplies for resale, prepaid rent \$9,896.91, amounted to \$60,255.27, with no indebtedness, a gain for the year of \$6,968.74.

International Headquarters Building

Am delighted to inform you that the mortgage which we executed April 17, 1951, in favor of The Plaza Bank, for \$26,000.00 was paid in full on April 17, 1953. To accomplish this the Association advanced to the Pension Trust \$9,896.91, which will be repaid \$400.00 monthly. It is anticipated that it will be refunded in full about December, 1954.

Total cost of the building, including lots and landscaping, was \$74,549.70.

Membership

The year ended with a total of 33,401, a gain of 2,258 members. Twenty-two National Units were organized. The greatest number of new members was reported by District 10, followed by District 8 in second place, District 11 third and District 12 fourth. Pittsburgh continued in first place with 1,152 members, Spokane, with 1,068 members, went into second place, followed by New York, third, with 988 members and Dallas, fourth, with 893 members.

Credit Education

On my visit to Austin, Texas, in November, 1952, I arranged with Sterling S. Speake of the Extension Department of the University of Texas to conduct credit schools in Phelps's *Retail Credit Fundamentals*. He obtained a leave of absence from the University and assumed his duties February 1, 1953. Two days were spent at the National Office the latter part of December, at which time he also visited the offices of ACBoFA. For the four months' period, he conducted 12 schools, with an enrollment of 1,014. Minimum enrollment was 59, maximum 146. Enthusiastic reports have been received from all cities.

Field Activities

My field activities were curtailed because of hearing on interpretation of the Consent Decree, which it was anticipated would be held on September 22, 1952, and was subsequently scheduled for November 12, 1952. Only three days were available for the offering of testimony and it was necessary to continue the hearing to January. Our counsel, Henry F. Holland of Baker, Botts, Andrews and Parish, Houston, Texas, was engaged on an important case in Washington that month, making it necessary to ask for another continuance. It will probably be reached in the late fall or early in 1954.

Was out of the city July 14 and 15 for a meeting in Evansville, Indiana, and again September 22 and 23 for a meeting in Minneapolis. On my next trip I left St. Louis on November 16 and returned to the office December 9. Left again on January 27 and returned March 12. Attended the meetings of District 11 at San Diego on February 14, 15, 16 and 17, and District 8 at Houston, May 17, 18 and 19. En route I visited New Orleans for final check of conference plans.

District meetings were attended by the following: President O. W. Frieberg, Districts 6, 9, 10 and 11;

(Turn to "Annual Reports," page 31.)

Large Store or Small Store

Look at this bill... see how you can greatly reduce your own billing costs



1

When you use Recordak Photographic Billing your billing clerks post only the sales check totals—plus the usual credits and returns. This reduces posting operations 85% . . . and cuts your book-keeping machine requirements, too. And it ends expensive overtime because each clerk can now handle many more accounts—with greater accuracy.

Your Own Store
ANYWHERE, U.S.A.

Mrs William Briggs
20 North Broadway
White Plains, N. Y.

PLEASE DETACH AND RETURN THIS STUB WITH YOUR CHECK

IF THIS STATEMENT COVERS TRANSACTIONS ON YOUR ACCOUNT FOR THE 30 DAY PERIOD ENDING ON BILLING DATE SHOWN BELOW PAYMENTS MADE OR MERCHANDISE RETURNED AFTER THE BILLING DATE WILL BE CREDITED ON NEXT MONTH'S STATEMENT.

PREVIOUS BALANCE	PURCHASES	PAYMENTS	RETURNS	DATE	AMOUNT REMITTED	BALANCE DUE
55.50	8.50					
	2.55					
	22.50					
	15.39					
	55.50					
			1.65	Feb 5 '53		47.29*

YOUR CANCELLED CHECK IS YOUR RECEIPT.

*Amount due on account for the 30 day period ending on the date shown above.

Original sales checks are part of the bill—reducing posting operations 85%.

are attached for your convenience
Paid in full. Inquiry regarding
OWN STORE



2

A complete description of each purchase is unnecessary because the original sales checks are microfilmed . . . and sent out to the customer with the bill. Any clerk can do the job . . . can photograph sales checks for a fraction of a cent apiece . . . and in a fraction of the time required for filing in descriptive billing systems.

3

Your bill answers customer questions in advance. With the original sales checks in hand, charges can be recalled immediately. Which reduces "adjustment traffic" to a trickle. Speeds payments of bills, too.



4

You get a better record—a photographically accurate and complete microfilm record which can be filed in as little as 1% of the space required for original sales checks; ready for immediate review in a Recordak Film Reader.



Large store or small—you can realize the same percentage of savings—over and above all costs—because Recordak has a complete line of microfilmers designed for varying requirements. You never have to buy features or refinements which can't be used profitably in your store.

Learn how retail stores of every size are saving now . . . and get details on the complete line of Recordak Microfilmers now offered on an attractive purchase or rental basis. Write Recordak Corporation (Subsidiary of Eastman Kodak Company), 444 Madison Avenue, New York 22, N. Y.

1928



1953

RECORDAK
(Subsidiary of Eastman Kodak Company)

originator of modern microfilming—
and its application to retailing systems

"Recordak" is a trade-mark

MAIL COUPON FOR FREE BOOKLET

RECORDAK CORPORATION
(Subsidiary of Eastman Kodak Company)
444 Madison Avenue, New York 22, N. Y.

Gentlemen: Please forward a copy of "Make Your Sales Checks Work For You."

Name _____ Position _____

Company _____ Street _____

City _____ State _____

R4

CREDIT DEPARTMENT Letters

LEONARD BERRY

IT IS gratifying to have the splendid cooperation of our members in sending to the National Office samples of letters and forms used by them in credit and collection communications. We hope that more members will do the same. It is our desire to reproduce as wide a variety of letters and forms as possible. Varied, that is, both geographically and by types of business. Your cooperation will help considerably in keeping this CREDIT WORLD feature interesting, representative, and useful.

The letters and forms shown on the opposite page were selected partly to stimulate your thinking on the perennial problem of whether to use printed notices or personalized form letters in collection work.

Of course, we know that much depends on the degree of past-dueness, and also on the nature of the business. We are convinced that substantial economies can be made by the use of informal printed notices and stickers, at least for the first two or three reminders. We are also convinced that such are appropriate for use in almost any kind of business. And surely all of us are searching for cost-cutting shortcuts in our procedures. Printed notices do not, in our opinion, detract in the slightest from dignity or prestige.

Among the advantages of those impersonal reminders is their greater flexibility. Letters tend to follow a rather rigid and formal style. Their emphasis seems to be out of proportion to the mild nature of modest past-dueness. On the other hand, printed notices can more readily capitalize on the light, friendly, almost "chummy" touch which appears to encourage willing payment. And that, after all, is what we want, payment without antagonism.

Then, too, consider the ease of sending or enclosing printed collection reminders. Many of them are so designed to permit typing of the name and address of the customer on the reverse side, slipped into a window envelope, and that's all there is to it.

A form letter, on the contrary, requires a matching fill-in of the customer's name and address. It is rare to come across a fill-in that matches the exact shade of the type in the processed letter itself. Often form letters are filled in hurriedly by a person whose skill with the typewriter leaves much to be desired.

Form letters need to be signed. A personal signature is by far the best, but the chore of personally signing a batch of collection letters consumes valuable executive time. A processed signature is the next best, but usually appears to the reader to be a mechanical operation. Rubber-stamp signatures, unless applied with care and some skill, give the letter a mass-production effect which is precisely what a form letter should not give.

When an account becomes over ninety days past due, or, in the case of instalment accounts, when two payments are missed, the matter becomes a collection problem. A

"personal" approach should then be adopted. At that point the relative fewness of the past-due accounts permits almost individual attention. Letters designed to fit the particular situations, personally prepared and signed, are then recommended. We would welcome the comments of our members.

This Month's Illustrations

Illustration No. 1. Something a little different in a collection letter! Albert C. Arthur, Arthur's, San Bernardino, California, reports satisfactory results from the use of this "black" letter. Certainly this is a unique way of getting the idea across to the past-due customer that her account should be given immediate attention. The letter is rather stern, but the condition of the account amply justifies that severity.

Illustration No. 2. A splendid credit sales promotion letter. Here the offer of a charge account is made without necessity of any formality whatever; always an effective approach. Undoubtedly this letter is sent only to pre-checked prospects. Most people enjoy being told that they are on a "special customers' list," even though they realize that such is a slight exaggeration. Note the skillful manner in which a surprising amount of important customer-information is woven into the letter.

Illustration No. 3. Another collection letter. The first paragraph successfully sets up an affirmative mood—surely the reader must agree that the store has been patient and cooperative. Then, the warning that unless payment is forthcoming credit privileges may be suspended. And, in the final paragraph, the urge to act quickly.

Illustration No. 4. One of a series of printed collection reminders used by Newman's, Joplin, Missouri. The light and informal touch shown in the very literal translation of the familiar "Tempus Fugit" does make the store seem most human and understanding. We especially like the headline, "Your credit is a valuable possession: protect it wisely." Excellent educational material.

Illustration No. 5. Another printed collection reminder. This one sent to us by the Gulf Oil Refining Company, Atlanta, Georgia. The design and lay-out of this collection notice are particularly effective. The wording is businesslike without being abrupt.

Illustration No. 6. Read that headline again—"As lonely as a telephone ringing in an empty room." Isn't that a most expressive sentence? Such an imaginative approach to the creation of a collection reminder lifts it from the level of the ordinary and invests it with a distinctive quality. James T. Mullin & Sons, Inc., Wilmington, Delaware, are to be congratulated on this outstanding form. ***



Quality

DIAMOND WATCHES

TEL. 2-10-10
400 E. STREET
SAN FRANCISCO

Things look pretty black for you.

Your account with us has been neglected. This has been called to your attention before. But you did not pay.

So we wrote you again, reminding you of your indebtedness, but your account is still in a very unsatisfactory condition.

What do you expect us to do? We can, of course, turn your account over to one of our attorneys for collection. That means worry and expense and embarrassment for you - more grief than we like to cause anyone.

But you are allowing us no alternative. You are forcing us to take drastic action, such as we dislike to do so.

That's the reason for this BLACK LETTER. In appearance, it's more than just a warning to pay due, and that it must be paid immediately. You are heading straight for serious trouble; this is a warning you can't afford to ignore.

Send us your check for the amount mentioned above and close up your account at once.

ARTHUR
Charles Carter
ARTHUR C. CARTER

ACA-1

Frankenberger & Co.



Charleston or Kansas, Mo.

Mrs. John C. Customer
600 Main Street
Charleston, West Virginia

June 15, 1953

③

Dear Mrs. Customer:

You've tried to clear up your past due account, we are sure. We've tried to do our part by not being too demanding in asking for payment. Surely you will agree we have waited a liberal period for settlement.

This last appeal is made to you for payment before it becomes necessary to restrict your charge privileges.

We sincerely hope you will send us your check for \$100.00 by return mail which will bring your account to a current condition.

Very truly yours,

FRANKENBERGER & COMPANY

Jack P. Lee
Jack P. Lee
Credit Manager

OUR NINETY-SECOND YEAR

Charles F. Berg

THE SHOP SMART WOMEN PREFER

P.O. BOX 100
PORTLAND 1, OREGON

June 15, 1953

②

Mrs. John C. Customer
600 Main Street
Portland, Oregon

Dear Mrs. Customer:

This letter is really a special invitation.

We have just mailed all the "red tags" that is usually contingent upon opening a new charge account -- and have established a Charles F. Berg account in your name.

You are cordially invited to make immediate use of it -- and to continue to use it as often as you like.

We took the liberty of opening your account because we honestly believe we have something on the "special" side to offer you. Not only more pleasant, more leisurely and easier shopping through the use of a charge account (whether you shop by mail, phone or in person) -- but also Portland's most exciting collection of fashions -- always low priced! Incidentally, you will find special advance fashion news tucked in with your statement each month.

We look forward happily to being of service to you -- and congratulate ourselves upon having your name on our "special customers" list.

Sincerely yours,

Charles F. Berg, Inc.

Forrest T. Berg
Forrest T. Berg
President

CROWLEY YOUNG FASHIONS . . . CROWLEY YOUNG FASHIONS . . . CROWLEY YOUNG FASHIONS

Your credit is a valuable personal asset. Protect it wisely.

④

"Tempest Tost"

This old Latin proverb, literally translated into modern English means, "Quick! I didn't know it was this late."

These just aren't enough hours in the day, it seems, to fulfill all our obligations. We occasionally find that of our wonderful things we fully intended to do all along.

Newman's

Oswald Dwyer

⑤



CHECK . . .

AND DETERMINE IF YOUR REMITTANCE
DUE GULF HAS BEEN MAILED.

If not, won't you please mail it promptly?

THANKS

GULF OIL CORPORATION
GULF REFINING COMPANYAs lovely as a telephone
ringing in an empty room . . .

⑥

That's exactly how we felt when we didn't receive your payment in response to our recent letter . . . Somehow we had confidently expected it right up to this morning's mail . . . It's just that you forgot isn't it? . . . Don't bother to explain . . . We know how easy it is to overlook these things . . . But won't you attend to it now . . . before you forget it again tomorrow . . . Please.

JAS. T. MULLIN & SONS, INC.
WILMINGTON 24

CREDIT FLASHES

Special Memorandum Available

The Associated Credit Bureaus of America has prepared a special memorandum on "Restraint of Trade and Credit Practices." It was compiled to assist credit bureaus and credit granters in knowing the legal opinions of several outstanding attorneys on the subject of community credit policies, credit control, credit practices, etc. Members interested in receiving a copy should write to the Associated Credit Bureaus of America, Research and Education Department, 7000 Chippewa Street, St. Louis 19, Missouri.

Annual Meeting at Camden, N. J.

The annual meeting of the South Jersey Credit Managers Association was held at the Walt Whitman Hotel, Camden, New Jersey, April 14, 1953. Clarence E. Wolfinger, Credit Manager, Lit Brothers, Philadelphia, Pennsylvania, and Past President, N.R.C.A., led the discussion of the group on present conditions and business outlook. He also presented to William Atkinson, Credit Manager, W. L. Hurley Company, Camden, N. J., shown on the left below, his Certificate of Membership in the Quarter Century Club of the N.R.C.A.

Mr. Atkinson has been credit manager of his store since 1925, after having started in 1920. During World War I he worked at the Pusey & Jones shipyard in Gloucester and prior to that he was with the United States Post Office at Haddonfield. He is an active member of Kiwanis, a member of the Haddonfield Baptist Church and a past president of the South Jersey Credit Managers Association, having served for several terms.

The new officers elected at the annual meeting were: President, Philip Nehlig, Philip Nehlig, Inc.; Vice President, Richard Carr, Lester's; and Secretary-Treasurer, Russell A. Barnes, Camden Credit Association.



Charles M. Keefer

Charles M. Keefer, 84, former credit manager, Kann's, Washington, D. C., and a resident of the District for 65 years, died March 23, 1953, in Las Vegas, Nevada. Mr. Keefer was employed at Woodward & Lothrop for 27 years, rising to the position of assistant credit manager before joining Kann's where he served 40 years as credit manager. He was the first president of The Credit Bureau, then named the Associated Retail Credit Men of Washington. He was an Honorary Life Member of the National Retail Credit Association and served as a director from 1932 to 1936. He was a member of the St. Paul's Methodist Episcopal Church, Elks, and the Masonic Centennial Lodge No. 14. He is survived by two sons and a sister to whom the N.R.C.A. extends its deepest sympathy.

Cyrus N. Child

Cyrus N. Child, 52, died December 16, 1952, at the Roosevelt Hospital, New York, N. Y. He was for many years associated with Frederick Loeser & Co., Brooklyn, where he served as assistant to the late Bernard A. Farrell, taking over the post of credit manager upon his death. Subsequently he served as credit manager, Palais Royale, Washington, D. C., Bonwit Teller & Co., New York, Kresge Department Store, Newark, N. J., Sterling-Lindner-Davis Co., Cleveland, Ohio, and Brooks Brothers, New York. He was active in Association work, having served as a member of the Board of Directors of the Credit Bureau and as a member of various committees. The sincere sympathy of those in our organization who knew him is extended to his widow and son who survive him.

Elmer G. Wellman

Elmer G. Wellman, President, Elmer G. Wellman & Son, Springfield, Mass., died March 18, 1953. He had been active in business since 1908 and was well known in the heating and air conditioning field. He was also active in local politics and lodge work.

Joseph T. Sloane Promoted

Louis R. Kurtin, chairman of the board, TelAutograph Corporation, New York, N. Y., has announced the appointment of Joseph T. Sloane to the post of director of public relations. He joined the company in 1948, as advertising and sales promotion manager, a post he retains. The newly formed department will concentrate primarily on customer relations and product acceptance.

The Front Cover

The two pictures on the front cover of this issue of The CREDIT WORLD were sent to us by Frank T. Caldwell, General Manager, Retailers Credit Association of San Francisco, and used through the courtesy of the San Francisco Chamber of Commerce.

New York Conference Proceedings Available

The Graduate School of Business Administration of New York University has announced the publication of the Proceedings of the 1953 National Consumer Credit Conference held at the University recently. The Conference topic "The Role of Consumer Demand and Consumer Credit" was considered during the three-day meeting by executives of many important banking and financial institutions, trade associations and professional groups. The Proceedings carry verbatim reports of the talks made before the conference. The publication is available at \$1.00 per copy and orders should be addressed to Dr. H. W. MacDowell, Gallatin House, New York University, 6 Washington Square North, New York 3, New York.

N.R.D.G.A. Credit Group Elects Louis Selig

Louis Selig, for 25 years credit manager of Rosenfield's, Baton Rouge, La., and now vice president, House of Fashion in the same city, is the newly elected Chairman of the Board of Directors, Credit Management Division, National Retail Dry Goods Association. Mr. Selig served as director of the N.R.C.A. from 1934-1936, inclusive. He succeeds Clarence E. Wolfinger, a past president of the N.R.C.A., who becomes a director. Mr. Selig, formerly first vice-president of the Division, was elected at the C.M.D. Conference held in Cleveland, Ohio, May 5-7, 1953. Other officers are: First Vice-Chairman, C. Glenn Evans, The Halle Co., Cleveland, Ohio; Second Vice-Chairman, Bernard C. Gilbert, L. S. Good Co., Wheeling, W. Va.; Third Vice-Chairman, John T. Rose, Crowley, Milner & Co., Detroit, Mich.; and Secretary-Treasurer, John A. Hendry, James Ogilvy's, Ltd., Montreal, Quebec, Canada.

Reorganization of Port Alberni, B. C., Canada

At the annual meeting of the Retail Credit Grantors of Alberni District, held in Port Alberni, B. C., Canada, recently, a resolution was passed incorporating the Association under the B. C. Societies Act, and changing the name to Credit Granters Association of Alberni District. New officers are: President, Herb Barnes, Herb Barnes Motors Ltd.; Vice President, Ralph Holland, Meyers-Holland Motors Ltd.; Secretary, John Hnatiw, The Credit Bureau; and Treasurer, William Russell, Russell's Jewellers Ltd. Catherine Skinner, Woodward's Store, is director. Eric Marsden, Past-President, District 10, N.R.C.A., and Past-President, Credit Granters Association of Canada, was guest speaker.

C. T. Morrison New Credit Manager at Stripling's

C. T. Morrison, assistant credit manager, W. C. Stripling Co., Fort Worth, Texas, has been promoted to credit manager, succeeding H. H. Fox, credit manager for the past 31 years who is retiring. Mr. Fox joined the firm in 1907 and in 1918 was transferred to the credit department where he became manager in 1922. He is a member of the Quarter Century Club of the N.R.C.A. and has long been active in the affairs of the local credit association in Fort Worth.

For Sale

Credit and Collection Bureau, Rocky Mountain District, county seat, 50,000 trade territory. Sixteen years of profitable operation. Owner retiring. Price, \$6,000. Box 7531, The CREDIT WORLD.

Fred H. Chrisman Joins Farrington

Fred H. Chrisman, credit manager, Rothchild & Son, Kansas City, Mo., for the past seven years, has been appointed sales executive with the Identification Division, Farrington Manufacturing Company, Boston, Mass., originators of the Charga-Plate. A long-time department store credit man, he was also credit manager, George B. Peck Co., Kansas City, and assistant credit manager, Russeks, New York, N. Y. He is formerly a president of the Retail Credit Association of Kansas City, a past director of the N.R.C.A., and a past president of District Seven, N.R.C.A.

Bakersfield's Membership Activities

Following a luncheon with the leading business executives of Bakersfield, California, on February 11, 1953, O. L. Kinzer and I discussed District and membership activities, picture of which is shown below. The plan which has been so successful in California was initiated by him in September, 1950. Bakersfield reported 141 new National members in the year ended May 31, 1951.

Mr. Kinzer attended the 1951 conference in Chicago as Director of District 11 and the meeting in Washington last year as alternate National Director. For several years he has conducted successful credit schools in Bakersfield.

Seated at the head table at the luncheon meeting, were: E. M. Sanborn, Harry Coffee, Clothier; Malcolm Brock, Malcolm Brock Co.; J. T. Wingate, J. T. Wingate Co.; O. L. Kinzer, Jack Davenport Co.; Fred Carlisle, Anglo-California National Bank; and Robert Hackett, R. F. Hackett, Inc. Unfortunately, the photograph of the group was not sharp enough to make a satisfactory cut for reproduction in The CREDIT WORLD.

I was amazed at the vast amount of damage done by the earthquake to business establishments, office and public buildings and in the residential sections of Bakersfield. Two of the leading retail firms, Malcolm Brock Co., and Harry Coffee, Clothier, opened for business in huge circus tents on the outskirts of the city soon after the earthquake. It was interesting to visit the operations. Accompanied by Mr. Brock, I had the privilege of going through his main store building, then under repair, and noting the extent of the damage to the building.

Bakersfield is to be congratulated on the manner in which business and other affairs of the city were carried on following the earthquake.—L. S. Crowder.



Top Management Says...

George E. Merrifield, Vice President and Treasurer, The Higbee Company, Cleveland, Ohio:

"It would be difficult to state what the amount of our National income would be if our industries were deprived of the additional volume of sales arising from the extension of credit.

"In our business we have over 300,000 charge accounts and 70 per cent of our business is represented by charge sales, consisting of regular thirty-day and instalment accounts.

"Our credit manager is one of our more important executives and has the responsibility for credit sales, aggregating about thirty-five million dollars per year. He has a large force of employees in his division and some five divisional credit managers under him.

"Credit managers must have a sound basis for the extension of credit and, also, have the opportunity of building good will for their establishment because of the frequent contact they have with the customers, both in person and by correspondence. All of these contacts, so far as possible, should set out the credit manager as the best salesman in the establishment and should display the diplomacy of our career diplomat. His work is interesting too, in his contacts with both the employees of his division and with the other employees of the establishment. It should be his ambition to bring up the skill of his employees in customer contacts, to approach his own high standards."

Rawson Haverty, Vice President and Treasurer, Haverty Furniture Companies, Inc., Atlanta, Georgia:

"Merchants to succeed, must be able to buy well, sell profitably and so satisfy customers that they return again and again. But for merchants who handle big ticket items this is not enough. Usually they sell on instalments and, in addition to the above, they must *collect the money*. This last function is as important to success as are the others. No one point can be ignored without endangering the entire operation.

"The farmer may plow, plant and cultivate and produce an outstanding crop, but unless he goes back and harvests what does it profit him?

"Collecting is a part of the merchant's role. The collection of the money should be in mind from the beginning of the sale. It is a disservice to the customer, and to the merchant, to make a sale to a customer obviously unable to pay.

"If the collection effort is so long drawn out and expensive that the profit from the sale will be dissipated, it was an unwise sale. If the collection effort is unpleasant, so that the customer does not return again and again, the merchant's position is in danger.

"To collect well requires a person of no little skill and experience. To ask for money and retain the customer's good will requires tact and personality. To listen, day after day, to the trials and tribulations of your fellow-

man, to advise with wisdom, to act with justice, fairness and firmness, calls for patience and reliability. These characteristics are not easily found in a man or woman. Yet collections depend upon such attributes.

"Credit and collection work is so important, so fundamental, that no merchant can run a well-balanced business unless he realizes its importance and is sufficiently familiar with credit procedures to adequately inspect and supervise the operation of that department.

"Men and women entering the field of retailing should place as much emphasis on learning credits and collections as on learning selling and buying, advertising and merchandising. In most stores, the credit man is a key man of his organization. He participates in store meetings and his counsel is sought in making decisions and in forming store policy.

"The spirit of the credit and collection office reflects the personality of the credit and collection person in charge. If, when a customer walks to the cashier's window, he is greeted with a smile and shown prompt and courteous service, this courtesy, this friendliness, this efficiency, found in the cashier can almost always be traced back to the credit and collection man in charge of that department.

"A young man well trained in credit and collection work is in a springboard position. He can move upward within his chosen field, to positions of greater responsibility, or in larger organizations; or he can move laterally into selling and merchandising positions in the same organization. He will then be better prepared to make and realize sound sales, than a man without the credit training. And when successful in both fields, he is in position for advancement into the field of over-all management."

George A. Scott, President and General Manager, Walker's, San Diego, California:

"Speaking for this particular store I should like to admit as General Manager and President that until recently I had not begun to have nearly enough appreciation for the important part credit plays in total retailing. I had failed to realize that it was not the fact that half our business was done on a credit basis, but that in reality if this were not so we would not have a business at all. Not only that, but all records show that the credit customer provides us with a much larger average sale which in turn means a higher net profit on those particular sales than is true on cash sales even though there are some additional costs to handling a credit transaction.

"Stores that grant proper credit in the proper way, and by that I mean in a way that is beneficial both to the customer and the store, do much toward the stability of our economy. Therefore, the manager of credit sales should and will, from this day forth in our store, find himself and his job on a very much higher executive level than has been true in the past.

"Just imagine, we have divisional merchandise managers who are responsible for and preside over much less of the assets of our Company than does our credit manager and yet the executive level and the basis of income has been completely reversed. How inconsistent can we retailers be? That situation is changed in our store and I think proves that the whole attitude is changing in the world of retailing and I would encourage alert young businessmen and women to realize this and go forth in an energetic way to venture into the field of credit granting and credit sales.

"Credit lends itself to many so-called gimmicks. This fact then challenges right-thinking prospective credit executives to not get the wrong idea about the world of credit business, but rather to know it is a high-level profession with tremendous responsibilities and far-reaching implications into the life of the business world and the individual.

"In a talk I gave recently, I pointed out that credit can play a large part in the dissemination to all of the finer things of the American way of life and is an answer in a large sense to the cry in other parts of the world, just a few can benefit and participate in those things which money and credit acquire for us that make life more worth-while living. We remember that the U.S. Census figures show that over one hundred million Americans used credit and points up how we get the wide distribution of those things which make up the American way of life and keep them from being restricted to just a few."

Mrs. John A. Brown, President, John A. Brown Company, Oklahoma City, Oklahoma:

"Retailing is a thrilling game and in our store we like to think of our co-workers as a vast team, with each member of the team working for the success of the entire store. Each co-worker has his part to play and certainly one of the most vital factors in the production of sales is our credit division.

"The members of our credit division use this powerful tool 'credit,' in cooperation with our merchandising and advertising divisions, to maintain and increase sales volume. Their duties require tact, diplomacy, and a sympathetic understanding of customers' problems. They encounter every kind of problem and deal with people in all walks of life. Can you imagine any experience which would give one any more satisfaction?

"Opportunities for advancement are constantly afforded young men and women who have an aptitude for work in this interesting field of retail credit, and who are qualified by education, personality, initiative, patience, and industry. The young man or woman with these qualifications may acquire experience and then advance to supervisory positions and eventually to the position of manager of credit sales.

"The manager of credit sales is responsible for the training and direction of all those engaged in the important work of interviewing, accounting, cashiering, collecting, and adjusting. No wonder that management recognizes the manager of credit sales as one of the key executives of the store!

"Those with vision will see the tremendous future open to them in the field of retail credit. What a challenge for young men and women!"

Henry M. Doll, Sr., Secretary, Desmond's, Los Angeles, California:

"There is every indication that consumer credit will be needed to distribute a greater amount of merchandise at retail than ever before. Production is at an all-time high now but a large percentage of this production is in commodities for the defense effort.

"However, as the threat of war subsides a large proportion of this defense production will be converted to the manufacture of peacetime goods, which must be distributed promptly if we are to keep the nation's economy running in high gear.

"It will be up to the consumer credit granter, therefore, to expand and promote the additional charge accounts necessary to move this vast quantity of commodities and to do so wisely, safely and speedily.

"The importance of credit management will increase with the added responsibilities of handling this expanded volume of charge sales. The need of competent personnel will be greater than ever, to process this additional volume of charge sales.

"New collection techniques, simplification of record keeping, new methods of handling the vast amount of work brought about by the new conditions thus created, will be a challenge to the credit man.

"There is not a more propitious time than now, we feel, for young men and young women to enter the credit profession which holds out wonderful possibilities to those having the qualifications and who are willing to work hard to succeed."

attention...

**CONTROLLERS—
CREDIT MANAGERS**

this → 

**is for
you!**

**KELLOGG
Credit Telephone
SYSTEMS**

NOW "Dual Purpose" Credit Authorizing combined with complete store intercommunication — to speed up charge sales, stimulate better customer relations and save you money! Your credit clerks can authorize directly from cycle billing files—speed floor auditing, no separate files necessary! Positive authorization accomplished with Kellogg Special Perforators. Write for information now!

KELLOGG an associate of International Telephone and Telegraph Corp.

KELLOGG SWITCHBOARD AND SUPPLY COMPANY
Dept. 14-B, 79 West Monroe Street, Chicago 3, Illinois

Granting Credit in Canada

C. B. FLEMINGTON . . Canadian Correspondent

A Salute to the Maritimes

CARL B. FLEMINGTON, F.C.I., F.C.I.S., *Secretary-Manager, Credit Bureau of Greater Toronto*

IT HAS recently been my privilege to visit the Credit Bureaus in the Provinces of New Brunswick, Nova Scotia and Prince Edward Island, as an official representative of the Associated Credit Bureaus of Canada, and I feel that our Canadian readers, in particular, would be interested in knowing a little of the situation there.

My understanding is that there really exist only two types of persons—those who are Maritimers and those who wish they were. We are subject to a lot of "ribbing" in connection with our Maritime complex and all that, but it has its compensations in an inherent philosophy of life; a deep appreciation of our rich heritage of National beauty, but with perhaps less tendency toward immediate acceptance of modern ideas and devices. As a native of the Maritimes, but one who also bears a deep affection for his adopted Province of Ontario, these apparent differences have a tempering effect one to the other, while both contribute that "intangible something" to our Canadian economy, together with Quebec and the Western Provinces.

Although the Credit Bureau idea was first conceived in London, England, over 150 years ago, it is only within the past half decade that the peoples of the Maritimes, largely of British stock, have themselves adopted this medium for credit protection. These Provinces have, in the main, consisted of smaller cities and towns, where families have resided for generation after generation, where an intimacy has existed perhaps unknown elsewhere and where credit dealings have been considered on the basis of honour and pride of family.

Gradually, the old order has changed. During the war years, Maritime centres were among the most important in the world. The shipping lanes were busily engaged and military strength of all services was concentrated within their borders. This brought about definite changes in the economic life of these Provinces. Population doubled in some centres within a brief period and mass movement of individuals became a reality, where previously stability had reigned.

Slowly but surely the need for cooperative action on the part of the retail merchant became apparent, which has resulted in the formation of seven credit bureaus within our Atlantic Provinces. These bureaus, located in Fredericton, Moncton and Saint John, in New Brunswick, in Halifax and Truro, Nova Scotia, Charlottetown, Prince Edward Island and in St. John's, Newfoundland, are the most recent additions to our Canadian chain but although new in operation and with limited knowledge of credit bureau procedure, they are performing worthily and are showing through thought and action that they are ready and willing to play their full part in assuring the extension of sound consumer credit in Canada.

Perhaps I may be accused of bias, but my visitation has convinced me of two things: (a) their recognition of the real need for a strong credit bureau structure; and (b) their devotion to the cause of the Associated Credit Bureaus of Canada, with a determination to assume full responsibility for the furtherance of Association ideals and purposes.

It was a pleasure to visit the various bureau managers in their respective offices and to meet with members of their staffs. It was a source of great inspiration in visiting with retail management to hear of the valuable assistance which is being rendered to them by the local bureaus. In fact, I never heard one disparaging remark. Such an experience cannot help but impress upon us the real purpose for which credit bureaus are operating, namely, to assist in the extension of sound credit, which reacts equally to the advantage of store and customer.

Owing to geographical expanse it has been almost impossible to hold a truly representative conference within the Associated Credit Bureaus of Canada. Too, there is the financial commitment relative to bureau managers attending from points far removed. Much thought has been given to a possible solution and some relief has been effected through permanent location in Winnipeg of our annual meeting. However, it would seem that some merit exists in the establishment of zone conferences, an idea now under consideration by the Directors. With one exception, no Maritime representation has been manifest at our meetings to date, but as a result of their own initiative, it is probable that this situation will be corrected and that a Maritime director will soon be a reality.

In recognition of the part played by the Eastern bureaus in servicing inter-bureau requests and National users, it was decided to offer assistance to them through the holding of a two-day conference in Moncton, N. B., on May 28 and 29, at which I was asked to represent our Association. This I considered an honour, indeed, as it constituted the first Maritime Credit Bureau Conference ever to be held.

With the exception of Charlottetown, where the Manager, J. A. Vatcher, was unfortunately confined to hospital, all bureau managers from the three Provinces were in attendance and from their enthusiastic participation in the proceedings, it left no doubt but that the action of our Association was both welcome and appreciated. Through the generosity of the Moncton Board of Trade, free space was provided for our meetings and we were also provided with full-time secretarial assistance in the person of Mrs. Allie Tompkins, efficient secretary to A. E. Eagles, Secretary of the Board of Trade, which sponsors the local credit bureau.

Mr. Eagles kindly acted as our chairman and the fol-

lowing bureau managers participated: Fredericton, R. A. Brewer; Moncton, W. J. Dalziel; Saint John, W. A. Dykeman; Halifax, J. M. Ginley; Truro, Henry Johnson and Carl B. Flemington; Credit Bureau of Greater Toronto, association representative.

Discussions covering both specific and routine matters were the order of the day and it was not long before those bureau managers who were previously strangers to one another held first-name acquaintance and each realized that his problems were identical with those of his brother managers and that much of value was to be gained through the exchanging of ideas and experiences. As one remarked, "If we accomplish nothing else, we at least know one another now, which makes it so much easier to really understand each other's problems." Yes, but if I have caught the true spirit of the Conference, it is that the Maritime bureaus within our Association have accepted the challenge and as part of an ever-growing organization across our broad Dominion will contribute much of importance and well-being in our future deliberations. We hope that in the not too distant future, credit bureaus will be established in Sydney, Cape Breton, in the Stellarton-New Glasgow area and in Yarmouth, which, together with Halifax and Truro, would permit of prompt and efficient service throughout the Province

1953 Membership Awards

Membership in the National Retail Credit Association is higher at the present time than at any other time in its history. The membership chart on page 12 shows that on May 31, 1953, the total membership was 33,401, an increase of 2,258 new members during the past year. Membership and other prizes were again awarded at the 39th Annual International Consumer Credit Conference of the N.R.C.A., held in New Orleans, La., June 22-25, 1953. The list of awards includes the following:

\$100.00 in Cash

\$100.00 in cash was awarded to each of the following chairmen reporting the largest number of new members:

Local Chairman—J. E. R. Chilton, Jr., Merchants Retail Credit Association, Dallas, Texas.

State Chairman—Charles S. Gallagher, Farmers Union Hardware, San Jose, California.

District Chairman—J. D. Hartup, Standard Oil Company, Spokane, Washington.

First Credit Bureau Manager reporting 100 per cent National affiliation—J. Roy Faulkner, Retail Merchants Association, Port Arthur, Texas.

Pen and Pencil Sets

President of the National Unit making greatest gain in membership—Earl B. Messengill, President, Dallas Retail Credit Managers Association, Dallas, Texas.

Secretary of National Unit making the greatest gain in membership—Chellie Sue Bragg, Assistant Secretary, Dallas Retail Credit Managers Association, Dallas, Texas.

Credit Bureau Managers for outstanding membership work—Claire Key, Credit Bureau of Brownsville, Brownsville, Texas.

Mrs. Clayton R. Smith, Credit Bureau of Coeur D'Alene, Coeur D'Alene, Idaho.

Gold Parker Pen Set

Nicholas M. MacLeod, Credit Bureau of Spokane,

of Nova Scotia. It is not beyond the realm of possibility that bureaus will also be formed at other points in New Brunswick, Prince Edward Island and Newfoundland as the need arises. To quote Sir Winston Churchill, "It is only the end of the beginning there and the future lies ahead."

During my tour, I was privileged in addressing a luncheon meeting sponsored by the Saint John Merchants' Association at the Admiral Beatty Hotel on Wednesday, May 27; a night meeting arranged by the Truro Board of Trade on Wednesday, June 3, in their rooms and a dinner meeting under the auspices of the Halifax-Dartmouth Credit Exchange Limited, at the Lord Nelson Hotel, Halifax, on Thursday evening, June 4, all of which were exceptionally well attended and in each case enthusiastic appreciation was voiced to the Associated Credit Bureaus of Canada for the assistance given in making the meetings possible and also for the opportunities afforded the local credit bureau managers through assistance at the Moncton Conference.

To all the Maritime bureau managers who contributed so much to the sessions of our Conference, and especially to A. E. Eagles, in providing our place of meeting and guiding us in our discussions, my warmest thanks. *It is grand to be a Maritimer and to have seen you all again.*

Spokane, Washington. Fiftieth anniversary of the Credit Bureau and second largest National Unit.

Brief Cases

J. M. Dungan, Credit Bureau of Salinas, Salinas, California, and President, Associated Credit Bureaus of California, for splendid cooperation in visiting California cities with membership chairman, Charles S. Gallagher.

Tom L. Ford, The Credit Bureau, Pittsburgh, Penn., Largest National unit for the past four years.

Gavels

First National unit organized during the fiscal year—Retail Credit Executives of Brownsville, Brownsville, Texas.

Cities organizing units of 25 or more members:

Arlington Credit Association, Arlington, Washington. Chewelah Credit Association, Chewelah-Colville, Washington.

Cle Elum-Roslyn Credit Association, Cle Elum, Washington.

Credit Bureau of Coeur D'Alene, Coeur D'Alene, Idaho.

The Credit Bureau, Eureka, Kansas.

Credit Bureau of Okanogan County, Omak, Washington.

Retail Merchants Credit Bureau, Pendleton, Oregon.

Credit Granters Club, Redding, California.

Santa Rosa Credit Bureau, Santa Rosa, California.

Credit Bureau of Waycross, Waycross, Georgia.

The fifteen Associations reporting the greatest number of new members, are: Dallas, Texas, 355; Port Arthur, Texas, 294; Portland, Oregon, 254; Pittsburgh, Pennsylvania, 247; Spokane, Washington, 225; Fort Worth, Texas, 209; New York, New York, 155; San Francisco, California, 139; Vancouver, British Columbia, Canada, 132; Coeur D'Alene, Idaho, 118; Helena, Montana, 118; Waco, Texas, 118; St. Louis, Missouri, 115; Baltimore, Maryland, 108; and Philadelphia, Pennsylvania, 104.

for the *Smaller Businessman*

SALES PROMOTIONS • OFFICE PROCEDURES • CREDIT AND COLLECTION PROBLEMS

Be Not Deceived by Appearances

MANY SERIOUS losses are suffered by smaller businessmen that could have been prevented by the taking of simple precautions. Our question and the answers of our panel members this month highlight the need for the smaller businessman recognizing the costly folly of failing to adopt safe and approved procedures.

QUESTION

Should credit be granted or checks cashed solely on the good appearance of the seeker of such services? What safeguards do you recommend?

ANSWERS

Eldon L. Taylor, Credit Manager, Glen Bros. Music Company, Salt Lake City, Utah:

Checks should never be cashed or credit granted solely on the good appearance of the seeker of such services. The professional crook plays on the tendency of most people to attempt to judge them by appearances and will dress and act accordingly.

The best way to be reasonably sure in cashing checks is to have the would-be customer personally identified by one of your employees. Insist on identification such as lodge membership cards, union cards. In Utah liquor permits are considered good identification. Be careful of personal references that you are asked to call on the phone, unless you know the reference and check the phone number given you.

If the would-be customer is asking for credit obtain all information possible in a personal interview. Then check with your credit bureau to see if you have been given all the information and the correct story. Most customers that have had unsatisfactory credit experience will leave that information out. If you check direct with the references given, you will get only the satisfactory information, while the credit bureau records may show them as very undesirable customers.

W. O. Perlick, Credit Sales Manager, "Charge It" Service, Texas Bank & Trust Company, Dallas, Texas:

Credit extended wisely can become a medium of increasing your sales volume profitably. Unwise extension, either by cashing a check or accepting an account without adequate information, can be costly.

How then is it possible for the smaller merchant to take the necessary precautionary steps to protect himself against undue credit losses and returned checks?

Here are a few steps that can be taken when cashing a check:

A. Know your endorser.

B. Be wary of checks when large amounts of cash are to be returned.

C. Be wary of sales that appear too easy when paid by check.

D. Always remember—when a stranger cashes a check his identity walks out of the store with him.

E. Do not be rushed into cashing a check.

F. Watch carefully out-of-city and out-of-state checks, as well as "two-party" checks.

G. Do not let the appearance of a stranger influence you in violating your good judgment in cashing a check.

H. Remember, whenever you cash a check you are extending credit for that amount. Are you satisfied the results will justify the risk involved?

It is true that the appearance and attitude of the customer many times influence the merchant in the extension of credit, but they should never be the only factors in making the final decision.

By all means, use the services offered by your local credit bureau. Be a loyal supporter by giving them information from your files as well as utilizing their services to the fullest extent. They are well qualified to serve you in many capacities.

Kenneth Oetzel, Credit Manager, Boyd's, St. Louis, Missouri:

Credit cannot be granted, nor can checks be cashed, solely on the good appearance of the person asking for this service. In granting credit, a report should be obtained to learn about the person's background and his paying habits.

In cashing checks certain fundamental steps should be followed:

1. It should be a commercially printed check—not a rubber stamp.
2. It should bear the check protector imprint.
3. It should be properly endorsed in your presence.
4. Know the firm issuing the check, or be able to look up its rating.

The cashing of personal checks presents another problem.

1. Know the person who is cashing the check and obtain his address and phone number.

2. Determine if he resides at the address given, or if he knows the name of the people listed at that address.

3. Be sure that the two amounts on the check are identical, and that the date is correct.

4. If the signature is not legible, be sure to print it yourself, directly below.

5. Does he have an account?

The above steps should help in cutting down loss on check cashing. If the cashing of checks is growing in your store, a five- or ten-cent charge, depending on the amount of the check, should be made.

Alexander Harding, Credit Manager, John H. Pray & Sons Company, Boston, Massachusetts:

This is a two-part question and calls for a two-part answer. The matter of granting credit solely on the appearance of the seeker of credit is, in my opinion, one of the best ways to destroy the entire system of credit. There is an old saying, "Never judge a book by its cover." Never was there anything that rings a truer word than this. In so doing, the work of the credit profession is set back thirty or forty years. With a prospective customer seeking credit from you the only safe way is to check the files of the credit bureau regardless of the appearance of the individual. Patrick Henry once said, "I have one lamp by which my feet are guided and that is the lamp of experience." The paying experience of the individual should be the principal and guiding factor in the granting of credit. Regardless of the size of the order obtain a credit report and look upon the cost of it as an insurance premium.

The matter of cashing checks should be an individual store policy. However, experience is that about eighty-five to ninety per cent of the checks cashed are business checks and usually good. If the proposition is a "two-party check," that is, one person making out the check to another and you are asked to cash it, it is well to satisfy yourself with suitable identification. In a great measure the judgment, ability and technique of a good credit person along these lines are among the factors greatly underrated by management. One good method in cashing a personal check is to quickly ask the person presenting the check for his telephone number. If you get a prompt answer chances are that there will be no difficulty. I know of one store that cashes hundreds of checks every month and the strict rule is that if there is any hesitancy in the answering of that question the check will not be cashed.

Mrs. Dorothe Bolte, Credit Manager, Lyons Brothers Lumber & Fuel Company, Joliet, Illinois:

When cashing checks certain rules can govern with reasonable certainty. Establish procedure policy as to acceptable identification. It is generally agreed that

Charge-Plates from local stores, paid utility bills and tax receipts of recent date, savings bank books if running over an extended period (with an existing bank), several pieces of mail of differing recent dates, or cards signifying membership in unions, lodges or hospital insurance plans, and operator's licenses (being sure to check description, date and signature) are acceptable identification.

A few items which I would not accept, unless supported by one or more of the above, are social security cards, saleschecks and service discharges.

Be even more cautious when dealing with third-party checks, those payable to your customer and endorsed to you. Sometimes they are used by professional bad-check passers and tax evaders.

If in doubt, use the phone to verify residence, business or bank. When an out-of-town bank is involved, Dun & Bradstreet can serve as a handy reference.

R. M. Wylie, Credit Manager, Weinstock-Lubin and Company, Sacramento, California:

The question as to whether or not credit should be granted on good appearance, or "the eyeball test," has been covered in previous questions. Therefore, this statement will deal primarily with checks.

In accepting a check to be cashed, or for merchandise, it is important that proper identification be obtained. This presents a question as to what is proper identification. The following can be considered fairly reliable—current driver's license, passports, automobile registration, credentials issued by federal, state and city governments, railroad passes, Charge-Plates or their equivalent, tax receipts, receipted gas, light or telephone bills of recent date and oil company cards. The following would not be satisfactory—Social Security Cards, letters or correspondence, rent or other receipts, telegrams or sales checks.

One of the secrets of cashing checks is do not place yourself in the position of being rushed. Remember, the bad-check artist probably has identification and it is only when you take your time in approving his check that he becomes nervous. Leave the presence of the individual passing the check and get out of sight for a minute. If it is a forgery the individual will not be there when you return. Beware of checks that are presented when the banks are closed.

Many losses have been prevented as a result of catch questions addressed to the check passer. If the address of 123 A Street is given, ask "Your address is 213 A Street?" The bad-check passer will answer in the affirmative nine times out of ten. Or, "You live at 312 A Street, why you must live next door to Mrs. Jones, how is she?" If the individual claims acquaintance with Mrs. Jones, you know all is not well. Or, you may ask about an imaginary landmark on A Street and by the answer you will know whether or not you have a bad check. Remember each loss taken on checks is the equivalent of giving the money or merchandise away. How long can we continue to do this and still remain a profitable business?

Editor's note.—Our readers are urged to send in their questions. We want to keep this feature going. Address your questions to the Educational Director at the National office.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

LOCAL ASSOCIATION *Activities*



Seattle, Washington

James E. Lee, Division Credit Manager, The Texas Company, Seattle, Washington, was elected president of the Retail Credit Association of Seattle at a dinner meeting June 3, 1953. Other officers elected were: Vice President, John M. Gormley, Seattle First National Bank; Treasurer, Joe E. Moore, Diesel Oil Sales; and Secretary, Myron T. Gilmore, Seattle Credit Bureau. Directors: Perry Bourlier, Carnation Dairy; Paul Hungerford, Seattle Trust and Savings Bank; Robert Hannah, Bon Marche; Ludwig Pick, Warshall's Sporting Goods Co.; and Frank W. Price, Jean Hall.



The Seattle Association, with a membership of over 700, is one of the largest in the nation and is considered by the N.R.C.A. to be one of the most progressive. It ranks ninth in National membership. Plans for the coming year include continuation of the educational program started this year together with additional features to stimulate member interest.

District Two at New York

At the annual meeting of District Two held in New York, N. Y., the following officers and directors were elected: President, Arthur K. Carmel, Industrial Bank of Schenectady, Schenectady, N. Y.; Vice President, Edward M. Gallagher, Swern & Co., Trenton, N. J.; Secretary-Treasurer, Elsie M. Taylor, Williams Tire & Rubber Co., Troy, N. Y.; National Director, Arthur H. Carmel; and Alternate National Director, Edward M. Gallagher. Directors: Joseph M. Struck, Flah & Co., Syracuse, N. Y.; Alfred S. Roberts, Kresge-Newark, Newark, N. J.; Francis Dockendorf, McManus & Riley, Albany, N. Y.; Carl W. Liss, Carl Liss Appliances, Schenectady, N. Y.; Paul King, Union Fern Co., Albany, N. Y.; Philip Gleason, Abercrombie & Fitch, New York, N. Y.; and Rose DeSocio, Rosenbaum's, Elmira, N. Y.

District Eight at Houston

At the annual meeting of District Eight held in Houston, Texas, the following officers and directors were elected: President, R. R. Thomas, Shamrock Oil & Gas Corp., Amarillo; First Vice President, W. O. Perlick, Texas Bank & Trust Co., Dallas; Second Vice President, Fred Cimmerman, The Fashion, Houston; Secretary-Treasurer, J. E. R. Chilton, Jr., Merchants Retail Credit Association, Dallas; and Assistant Secretary, Chellie Sue Bragg, Merchants Retail Credit Association, Dallas. Directors: Elizabeth McLaughlin, Leon's, Tyler; B. T. Caldwell, First State Bank, Odessa; F. M. Boyd, Anderson Furniture Co., Dallas; Douglas Wood, R. E. Cox

Dry Goods Co., Waco; Aaron B. Littman, Gen Jewelry Co., Beaumont; Robert Steelsmith, Wolff & Marx Co., San Antonio; Roland Bratton, Fort Worth National Bank, Fort Worth; J. B. Moreland, Southern Union Gas Co., Austin; M. J. White, Manske Motors, Brownsville; Mrs. Ollie Ward, Dr. E. L. Garrison, Port Arthur; R. M. Green, First National Bank, Amarillo; John L. Tallent, Sherwin-Williams Co., Dallas; Mrs. Blanche Bunch, Ellison Furniture Co., Fort Worth; Earl J. Lenney, Magliolo Clinic, Dickinson; E. C. Paxton, Dallas Power & Light Co., Dallas; William F. Cofer, Neiman-Marcus Co., Dallas; Raymond Morrow, Shaw's Jewelry, Fort Worth; Mrs. Frances Hodges, White House Market, Wichita Falls; and H. O. Sims, Magnolia Petroleum Company, Little Rock, Ark.

District Nine at Ogden, Utah

At the annual meeting of District Nine held in Ogden, Utah, the following officers and directors were elected: President, Margaret Scouler, Hopper Furs, Denver, Colo.; Vice President, John W. Lee, Husky Oil Co., Cody, Wyo.; and Secretary-Treasurer, Donald H. Puffer, Credit Bureau of Greater Denver, Denver, Colo. Directors: Wayne Stratton, C. & S. Oil Co., Portales, N. M.; Harold Lambert, Burton Lumber & Hardware Co., Salt Lake City, Utah; H. A. Thompson, Neusteter's, Denver, Colo.; Ray Stein, City Utilities, Colorado Springs, Colo.; Lucille Wright, Sears Roebuck & Co., Pueblo, Colo.; John Ward, Lovelace Clinic, Albuquerque, N. M.; and William DeMik, Fred M. Nye Co., Ogden, Utah.

District Ten at Victoria, B. C., Canada

At the annual meeting of District Ten held at Victoria, British Columbia, Canada, the following officers and directors were elected: President, J. D. Hartup, Standard Oil Co., Spokane, Wash.; Vice President, W. G. Wiley Jr., St. Paul and Tacoma Lumber Co., Tacoma, Wash.; Secretary-Treasurer, Avadana Cochran, Credit Bureau of Kitsap County, Bremerton, Wash.; and Field Secretary, Walter A. Jensen, Pacific North West Council, Portland, Ore. Directors: Helen Lybold, Weinberg's, Butte, Mont.; Hugh Tallent, C. F. Berg Co., Portland, Ore.; Frank Brennand, Woodward's Ltd., Edmonton, Alberta, Canada; Harry Buker, Biggs Motor Co., Vancouver, B. C., Canada; George Marshall, National Bank of Commerce, Seattle, Wash.; L. E. Stairer, Washington Water Power Co., Lewiston, Idaho; Earl Bloomquist, Union Oil Co., Great Falls, Mont.; Forrest Hardin, Seattle First National Bank, Moses Lake, Wash.; Jack Gillis, Royal Hospital, Victoria, B. C., Canada; William A. Kellogg, H. O. Seifert Co., Everett, Wash.; and Ed Brandt, Old National Bank, Spokane, Wash.

Omak, Washington

The officers and directors of the newly organized Retail Credit Association of Omak-Okanogan, Omak, Washington, are: President, David Owens, Standard Oil Co.; Vice President, Walter Schalow, Schalow's Grocery; Treasurer, Henry Lang, Daulph Brothers; and Secretary, Charles H. Grimes, Credit Bureau of Okanogan County. Directors: Paul F. Maley, Maley's Service; Claire Pentz, Pentz Furniture Co.; Walter Hink, Men's Store; John Pewthers, Brownson Lumber Co.; Kenneth Hove, C. E. Blackwell & Co.; and Del Erken, Pacific Telephone and Telegraph Co.

Sacramento, California

The new officers and directors of the Retail Credit Club of Sacramento, Sacramento, Calif., are: President, Joe O'Brien, Standard Oil Co.; Vice President, Douglas Nelson, W. A. Sutton Co.; and Secretary-Treasurer, Frances Chapman, The Medical Clinic. Directors: William Anderson, De Von's Jewelry; Olga Furu, Burton & White Motors; and Elayne Nocetti, Dohrman's.

Edmonton, Alberta, Canada

At the annual meeting of the Credit Granters' Association of Edmonton, Alberta, Canada, the following officers were elected: President, George Oldaker, Hayward Lumber Co., Ltd.; Vice President, Gordon Shaw, Imperial Oil Co., Ltd.; and Secretary-Treasurer, C. H. Williams, Credit Bureau of Edmonton. Directors: R. O. Soley, Johnstone Walker, Ltd.; E. Preddy, Imperial Bank of Canada; Mrs. Jessie MacPherson, Walk-Rite, Ltd.; A. Knowler, H. Kelly & Co., Ltd.; D. Wolochow, Henry Singer, Ltd.; Miss B. Campbell, National Home Furnishers; and Miss M. Greenwood, Marshall-Wells Alberta, Ltd.

Boston, Massachusetts

The following officers and directors of the Retail Credit Association of Boston, Boston, Mass., were elected recently: President, Miss Frances Hernan, Massachusetts General Hospital; First Vice President, Frank Mullett, Boston Edison Co.; Second Vice President, William Kirby, Gilchrist Co.; Treasurer, Rowe A. Gladwin, Retired; and Secretary, William J. Starr, Credit Bureau of Greater Boston. Directors: Alexander Harding, John H. Pray & Sons Co.; Bernard Eyges, Leopold Morse Co.; and Miss Syd Peters, Peters Employment Service.

Chicago, Illinois

The new officers and directors of the Retail Credit Association of Cook County, Chicago, Ill., are: President, Wallis G. Hocker, Chas. A. Stevens & Co.; First Vice President, Dan Moses, Sears Roebuck & Co.; Second Vice President, James R. Tranker, Socony Vacuum Oil Co.; Secretary, Carl S. Hobbet, Credit Bureau of Cook County; and Treasurer, Robert H. Goehmann, The Arrow Petroleum Co. Directors: R. A. Brin, Northern Home Furnishings Co.; Joseph Bonnem, Modern Times Finance Co.; Paul Brownell, Wm. Y. Gilmore & Sons; Lawrence Burkhardt, Maurice L. Rothschild's; J. C. Gilliland, Pullman Trust and Savings Bank; Robert M. Hartle, Morris B. Sachs, Inc.; Raymond C. Mihm, The Fair Store; Russell B. Mitchell, Peoples Gas & Coke Co.; Nora C. Payne, Bob Waller Buick Co.; and J. L. Schneeberger, The Bordon Co.

Kansas City, Missouri

At the annual meeting of the Retail Credit Association of Kansas City, Kansas City, Mo., the following officers and directors were elected: President, Henry M. Kammerer, Jr., Home Rug Cleaning Co.; First Vice President, George Elliott, Woolf Brothers; Second Vice President, John Winchester, Peck's; and Secretary-Treasurer, A. L. Dye, Credit Bureau of Greater Kansas City. Directors: J. M. Boone, Katz Drug Co.; Harry E. James, Standard Oil Co.; James L. Martin, Socony Vacuum Oil Co.; R. C. Hunt, Craddock Uniforms; and J. E. Pennybaker, Long Bell Lumber Co.

Butte, Montana

The new officers of the Butte Retail Credit Association, Butte, Mont., are: President, Len Waters, Len Waters Music Supply Co.; Vice President, Helen Lybold, Weinberg's; Treasurer, Valeta Stabler, Gamer's Shoe Co.; and Secretary, Rose Shaw, Credit Bureau of Butte.

An Effective Sticker

HAS IT OCCURRED TO YOU



that your unpaid account, if entered against your record in the files of the credit bureau, may jeopardize your credit standing?

The National Retail Credit Association, of which we are a member, is an international organization and in the files of its affiliated credit bureaus are maintained accurate, up-to-date records on millions of credit customers.

• PLEASE protect your credit standing by making payment NOW

A new sticker, the wording of which should influence chronic slow-paying customers to mend their ways. Tied in with N.R.C.A. membership and Bureau affiliation, it will command attention.

Only \$3.00 a thousand

National Retail Credit Association
375 Jackson Ave., St. Louis 5, Mo.

PAST DUE STICKER

The Credit Bureau

There is a Credit Bureau in this community that keeps a record of the manner in which you pay your bills. Its files are open to every credit granter.

As a cooperating member we furnish the Bureau a list of slow and unsatisfactory accounts. If your past due account is reported to them, it may affect your credit record.

Guard your credit by paying all bills promptly.



This CREDIT BUREAU sticker carries an excellent educational message and should be used on accounts more than 60 days past due. Order from your local Credit Bureau or National Office.

Only \$3.00 a thousand

National Retail Credit Association
375 Jackson Ave., St. Louis 5, Mo.



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Annual Report

The Subject of Controls: The period of the past year, which is covered by this report, was, for the first time since the beginning of the Korean conflict, free of controls on consumer credit. But the question of continuing price and wage controls, and of reviving credit controls, was not free of the active attention and advocacy of the protagonists of regulation. Starting in the fall of 1952, the CIO for example, in its Annual Report issued in November, noted that price and wage controls were scheduled to terminate in April 1953, and production and other controls were scheduled to terminate in June 1953, and came out with a recommendation for "standby controls."

As this is written so-called standby procedures and authority, including the subject of credit controls, have been written into a bill by the Senate, with the provision, however, that such authority can be invoked only upon a declaration of war or after a resolution adopted by the Senate.

Your Washington representative continued to be on the alert with respect to economic trends, which might lead to revival of credit controls, or afford ammunition against such controls. It was noted that total consumer credit increased from \$20,932,000,000 in January 1952 to \$25,705,000,000 by the end of December of that year, according to the Federal Reserve Board tables. These figures, it should be noted, are based on the "revised method of computing consumer credit statistics" published by the Federal Reserve System for the first time in April 1953. The new method increased the December total from \$23,975,000,000 to the higher figure noted immediately above.

The past year was likewise a period of relative inaction on legislative proposals or matters, since it was accepted as a matter of course that such proposals as garnishment or revision of the wage-earner provisions of the Bankruptcy Act would receive scant attention in the last session of the 82nd Congress. Similarly the new Congress would not only have to be organized, but consider and adopt much urgent legislation in the domestic and foreign fields before there was a chance that committee or other consideration could be given to these or other matters in which N.R.C.A. was interested.

The Curtis Garnishment Bill: During the year your Washington representative on several occasions took up one phase or another of the garnishment question. However, before action crystallized through the Legislation Committee, a bill was formulated and introduced in the Congress.

It was easy to see that Representative Thomas B. Curtis, Republican, Webster Groves, Missouri, was an advocate of sound governmental practice when he introduced on March 2, 1953 his bill, H.R. 3602. It provided for "garnishment, execution or trustee process of wages or salaries of civil officers and employees of the United States."

This bill was in fact the same bill which N.R.C.A. had advocated and supported in the 78th Congress, known as the Kefauver bill, except it may be strengthened by a clarifying new section on the matter of exemptions specially applicable to federal employees.

With Congressman Curtis pushing this bill in the House, and with friendly support assured in the Senate on the part of Senator Estes Kefauver for what is, in effect, a revival of his own bill, it appears that this is the golden opportunity for supporters of garnishment legislation to obtain this long needed law, benefiting as it will broad segments of the public.

Postal Money Order Form: The question of the need for revision of the postal money order form by re-inclusion of the word "address" below the line provided for the remitter's name, has been on the Washington agenda.

Contact has been maintained with the "Division of Money Orders" of the Post Office Department. In summary it can be stated that there appears to be no immediate prospect of a change in the present form. On the other hand an awareness of the problem has been created, as will be indicated in forthcoming action by the Department in publicizing the problem of the desirability of writing in the address of the purchaser or remitter before the money order is mailed to the intended recipient. In other words, within a short time placards will be ready for distribution to Post Offices advertising that, in particular, where money orders are sent to public utilities, finance companies, mail order houses, department stores, and the like, the remitter should himself write his own address on the form below the line provided for his name. The purpose is to ensure quick and proper credit.

When this publicity program gets under way, it will afford a special opportunity for these large recipients of money order payments to similarly publicize this problem to their patrons and customers. This might go a long way toward alleviating the criticism which has been frequently voiced against the new money order form.

It would be well to point out here that the new money order form, adopted in July 1951, was designed to save money. One purpose was to permit tabulations of money

Vice President Henry C. Alexander, Districts 5 and 13; Past President C. E. Wolfinger, Districts 1, 2 and 12; Leonard Berry, Districts 6 and 7.

I was in the field 78 days and visited 32 cities in 11 states.

Cooperation

The cooperation of President Frieberg, the other officers, the directors, chairmen and personnel of com-

mittees, in fact the membership as a whole, and the officers, directors and members of the Associated Credit Bureaus of America and the Credit Women's Breakfast Clubs of North America contributed to a highly satisfactory year.

It is with deep appreciation that I acknowledge the loyalty and excellent work of Secretary Arthur H. Hert, Educational Director Leonard Berry and the National Office personnel.

Report of the Finance Committee

Hugh L. Reagan, Chairman

THERE WAS a meeting of your Finance Committee at the National Office on April 7, 1953.

Members present were Dean Ashby and myself, with General Manager-Treasurer Crowder sitting in ex-officio. Charles Reno was out of the city.

Budget for year ending May 31, 1953, was submitted to the Board of Directors at Washington and approved.

As of May 31, 1953, the close of our fiscal year, cash on hand and in banks in the United States and Canada totaled \$17,267.65. This compares with \$21,794.13 cash balance the end of May, 1952. In addition we will carry under Current Assets, Prepaid Rent, \$9,896.91. This will be reduced \$400.00 monthly, rental on the building.

The practice of paying all bills in the month in which incurred, a practice since 1935, has been followed and there is no unpaid indebtedness.

It is a pleasure to report that recommendation of the

order forms by electrical equipment. The importance of this step is apparent when it is considered that 375,000,000 money orders were issued in 1952.

Second, the word "address" under the name of the remitter was omitted when the form was revised in order to save the time of the clerk at the window in writing this vast number of addresses. The saving in time alone is tremendous.

The necessity on the part of Postal officials to do something on these lines to save time and money is indicated by the 1952 figures on the operation of the "Division of Money Orders" of the Post Office Department. In that year revenues from money order fees, and miscellaneous (the total revenue of the Division) amounted to \$71,000,000. Expenditure in the same period was \$95,000,000, or a deficit of \$24,000,000.

Wage-Earner Provisions of the Bankruptcy

Act: N.R.C.A. long advocated a revision of the jurisdictional amount of the annual "wage" in order to bring this section of the Bankruptcy law into a more realistic relationship with the times. Although N.R.C.A. advocated a still larger increase, Congress amended this provision from \$3,600.00 to \$5,000.00 in December 1950. This legislation aided, but did not entirely solve, the problem.

Study has been made, both from the standpoint of continuing increases in cost of living, and average weekly wages, as well as the statistics showing the use of wage-earner provisions, as bearing upon the desirability of

Committee to advance \$10,000 to the Pension Trust for payment in full of mortgage on our headquarters building was unanimously approved by mail vote of the Board of Directors. Payment was made to The Plaza Bank of St. Louis on April 17, 1953.

The employment of S. D. Leidesdorf & Company, Certified Public Accountants, was authorized to conduct the semi-annual cash audit of receipts and disbursements. Report of the audit for six months ended November 30, 1952, was submitted to the Committee. Copies of the report for the final six months of the year will be enclosed in the Board of Directors' booklet.

Your Association is in sound financial condition, due to the splendid cooperation of the Officers, Directors and Members, to the fine work of General Manager-Treasurer Crowder, the National Office Staff, and the efforts of President Frieberg.

further revision upward of the qualifying annual wage, so that still more people could take advantage of the wage-earner procedure.

The last time these statistics were analyzed by this office was in 1948, when there was a total of 3315 wage-earner cases out of a total of 18,510 bankruptcy proceedings. The four-year period, 1949-1952, is revealing, showing a steady increase each year of Chapter XIII cases, and no slackening of the trend even in 1952, when for the first time, there was a drop in the total of all cases. The four-year period is as follows:

Year	Total	Chapter XIII
1949	26,021	5,111
1950	33,392	6,007
1951	35,193	6,924
1952	34,873	7,397

Investigations and Opinions: There have been the usual number of individual investigations or study of miscellaneous matters, some from the standpoint of assembling facts, and others on rendering a legal opinion. They do not warrant separate treatment. Most of these matters have been disposed of but several are still pending. Included were such questions as a limited study of exemption provisions under state garnishment laws, a preliminary consideration of the possibility of a commemorative stamp honoring the achievements of consumer credit, a continuing check of Federal Trade Commission rulings and court decisions on skip-tracing methods, etc.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Hats Off To New Orleans!

THERE IS satisfaction in a "job well done" and judging from the remarks of delegates, they were highly pleased with the New Orleans Conference.

The constructive Credit Forum program on Monday afternoon was diversified and enlightening and the participants are to be congratulated for their contributions to a highly successful meeting.

The Conference convened on Tuesday, with an excellent panel discussion on Sales Promotions. The inspirational address, "The Unfinished Dream," delivered by Arthur C. Horrocks, Public Relations Counsel, The Goodyear Tire and Rubber Company, Akron, Ohio, was enthusiastically received, as evidenced by the prolonged applause, and will long be remembered.

On Wednesday morning the panel on "Collections" handled that subject in an interesting manner and delegates present were rewarded with many constructive ideas.

Again on Thursday morning there was a panel discussion, participated in by Credit Managers and Bureau Managers. The subject "Serving the Credit Granter" was covered in a very constructive manner. It was followed by a most practical and appropriate address "You Can't Be a Boss," by John C. Faris, Manager, Customer Business Department, Union Electric Company of Missouri, St. Louis, Missouri.

All in all, the addresses and panel discussions were outstanding and contributed greatly to a highly successful conference.

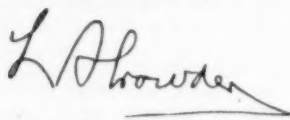
The group meetings on Tuesday, Wednesday and Thursday afternoons were well attended and enabled those present to take home many worth-while ideas. The suggested operating short cuts, successful credit sales promotion and collection ideas will pay dividends.

The entertainment was delightful. On Monday evening there was a "Get Together" at a cocktail hour; on Tuesday evening a Mississippi River trip on the steamer "President" which was chartered for the occasion, with dancing and entertainment until midnight. It gave delegates and guests an excellent view of the New Orleans skyline. For the visiting guests there were "Walking Tours" of the French Quarter on Tuesday morning and a bus sight-seeing trip Wednesday morning.

The banquet Thursday evening was unique in that the Grand Ballroom program was duplicated in the University Room, with a band, dancing and floor show in each room. The New Orleans Committee felt that this would be preferable, making it unnecessary to clear the Grand Ballroom to accommodate the overflow from the University Room.

Registration of 1,243 was the second largest in the history of the National Association.

Hope to see you at the 40th Annual International Consumer Credit Conference in San Francisco, California, July 19-22, 1954.


General Manager-Treasurer

★

★

Complete in

375 Jackson Ave.

St. Louis 5, Missouri

every detail . . . spaces for all needed information . . .

[illegible]

... designed with the approval of our members



THESE STREAMLINED STICKERS GET RESULTS



Price \$3.00
100, postage
Four modern
Retail Cr

MR. EUGENE B. POWER
UNIVERSITY MICROFILMS
313 NO. FIRST ST.
ANN ARBOR, MICH.

ts of
ries.
onal
o.